DEMOCRATS: 'A NEW LEASE ON LIFE'

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper | London, Thursday, November 5, 1998 | No. 35,980

Clinton Seizes on 'Astonishing' New Mandate

A Strong Disapproval of Impeachment

By David S. Broder
Washington Post Service

WASHINGTON — Democrats who once thought they were facing the firing squad in the midterm elections instead woke up Wednesday with a new lease on life, a gift from voters who simultaneously registered their strong disapproval of impeaching President Bill Clinton.

Rather than cashing in on the White House scandal and scoring the usual opposition-party gains in the sixth year of a president's term, Republicans saw the building blocks of the Ronald Reagan era — California and the Deep South — captured by their rivals. In taking over the governorships of California, Alabama and South Carolina, holding the Georgia governor's office and capturing a Senate seat in North Carolina, the Democrats signaled that they have not lost their capacity to build cross-racial coalitions and to challenge the Republican Party on its home ground.

NEWS ANALYSIS

In Senate and House races, Democrats fought the Republicans to a virtual standstill. The result was an election far more comforting to the president and his party than seemed possible a few months ago when Mr. Clinton was forced to admit that he had concealed his affair with a former White House intern, Monica Lewinsky.

Two conservative senators laid the blame oo their party leadership.

"We didn't have any message," said Rick Santorum, Republican of Pennsylvania. "The Monica Lewinsky thing didn't affect people's lives enough to make our people want to vote."

John Ashcroft, Republican of Missouri, calling the election "a substantial missed opportunity," said, "It was the absence of an agenda that has caused an absence of enthusiasm on the Republican side."

In national exit polls Tuesday, 65 percent of the voters said Mr. Clinton should not be impeached and almost as many said Congress should drop the matter rather than hold hearings, as the House of Representatives is scheduled to do starting next week.

"The country is in such a good mood, people are so optimistic, they didn't want to rock the boat," said Senator Joseph Lieberman, Democrat of Connecticut, whose speech criticizing Mr. Clinton's conduct in the Lewinsky af-

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Voters Want 'Progress Over Partisanship'

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton, buoyed by what he called an "astonishing" showing by Democratic candidates, seized Wednesday on the results of the midterm elections as a mandate to move ahead ou social policy issues and to leave divisive partisanship behind.

The president, appearing weary and puffy-eyed, was studiously cautious when asked whether his concerns about impeachment were eased by the Republicans' failure to widen their control of Congress.

"That's in the hands of Congress and the American people," he said. "I've said that before; I'll say it again. I have nothing more to say about that."

But his choice of words made it plain that he hoped to see the impeachment process quickly wind down. The message sent by American voters, he said, was "loud and clear: We want progress over partisanship and unity over division."

Other Democrats, and some Republicans, were less circumspect about the impact on the impeachment process.

"I think it's got to take some of the steam out of it," said Senator Tom Daschle of South Dakota, the Senate minority leader.

And Governor Roy Romer of Colorado, general chairman of the Democratic Party, said the voters' message was: "Get this done. Get it behind us."

International commentators breathed a sigh of relief, too, and expressed hope that the election results would allow the United States to move beyond the Monica Lewinsky scandal. (Page 6)

But Representative Newt Gingrich, the House speaker, said that it would be a "dereliction" of the constitutional duty of the House Judiciary Committee not to see the process through. A committee hearing is scheduled for Monday..

In an apparent effort to ride the updraft provided by the Democrats' surprisingly strong showing, Mr. Clinton and his spokesmen sought to lay out an agenda for the coming Congress, built around the preservation of the Social Security system and other social policy issues.

That will require working closely with Republicans, who still control both houses of Congress. The Republican advantage in the Senate remained the

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Gray Davis waving to supporters in Los Angeles after winning the race for governor of California, the Democrats' top electoral prize. Page 3.

Overseas, Clinton Is Seen as Winner

- International commentators and politicians see elections as strengthening Bill Clinton's hand. Page 6.
- Winning the California goveroorship was a major Democratic gain, but Republicans still control a majority of statehouses. Page 3.
- Thoogh retaining control of the Senate, Republicans lost a key voice in Senator Alfonse D'Amato of New York. In the House, the extent of their failed strategy was measured by the loss of five seats. Page 9.
- Buoyed by a big black turnout, Democrats scored a Southern resurgence. Page 9.
- In voting on the basics — life, death and taxes — Americans told the government to leave them alone. Page 6.

Full results, Pages 3, 8 and 9.

Ron Heflin/The Associated Press

Governor George Bush of Texas celebrating his easy re-election. His younger brother, Jeb, was also elected governor, of Florida. Page 3.

Republicans See Decline In Majority

Democrats Capture Some Governorships

By Richard L. Berke
New York Times Service

WASHINGTON — Democrats have come roaring back in the midterm elections, winning impressive victories in crucial Senate and gubernatorial races around the country despite mouths of dire predictions by both Republicans and Democrats that President Bill Clinton's scandal would drag down his party's candidates.

While Republicans maintained cootrol of the Senate and the House of Representatives in the voting Tuesday, the Democrats' strong showing, in an off-year election when the party in the White House typically loses seats, made it far less likely that the Congress would move ahead aggressively with its impeachment inquiry of Mr. Clinton.

Republicans did oot come close to the goals publicly stated by party leaders to win a magic 60 Senate seats, the number oceded to cut off filibusters by Democrats blocking Republican legislation, or to substantially widen the party's narrow 21-seat edge in the Hnuse.

The Republicans lost five seats in the House, dropping from 228 in the current Congress to 223. Democrats, who now hold 206 seats, won 210 on Tuesday and were leading in nne more, in Oregon. The House's lone independent, Representative Bernard Sanders of Vermont, was re-elected.

In the most coveted single prize of the day, Gray Davis, the lieutenant governor of California, defeated Dan Lungren, the Repnblican attorney general, to become the first Democrat elected governor of the state in 16 years.

But since Mr. Davis had outpaced Mr. Lungren in the polls fnr months, Democrats were celebrating surprising triumphs in races that had been viewed as cxcruciatingly close. Many Democrats were relieved that Senator Barbara Boxer of California had fought off a spirited challenge from the state treasurer, Matt Fong, a Republican.

Perhaps the biggest upset nf the day was the ouster of Senator Alfonse D'Amato, Republican of New York, by Representative Charles Schumer. In another major upset, John Edwards, a Democratic trial lawyer, defeated Senator Lauch Faircloth of North Carolina. And Senator Russell Feingnld, Democrat of Wisconsin, a leading advocate nf campaign finance reform who significantly limited his spending, still defeated Representative Mark Neumann.

The election was also marked by a resurgence of Democrats in the Deep South, spurred in part by better-than-

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Election Results Lift Wall Street

The U.S. stock market rose Wednesday as the strong showing of Democrats in midterm elections was perceived as a rejection of Republican efforts to impeach President Bill Clinton. Page 15.

The Dollar

New York	Wednesday @ 3 P.M.	previous close
DM	1.6659	1.659
Yen	118.615	115.295
FF	5.5825	5.5631
Pound (Dollars per pound)	1.6603	1.6593

The Dow

	Wednesday @ 3:30	percent change
+ 37.85	8,744.00	+ 0.43%

S&P 500

+ 2.85	1,113.69	+ 0.26%

Nasdaq

+ 24.23	1,812.67	+ 1.35%

AGENDA

Bin Laden Charged

NEW YORK (Reuters) — Osama bin Laden, the Saudi militant and exile, was indicted by a federal grand jury in Manhattan on Wednesday in connection with attacks on Americans, including the bombings nf the U.S. embassies in Kenya and Tanzania in August, in which more than 250 people died.

The IHT on-line www.iht.com

As U.S. Treads Softly, Iraq Alienates Defenders

By Joseph Fitchett
International Herald Tribune

PARIS — Saddam Hussein's decision to block United Nations weapons inspections appears to have deeply alarmed governments that have tried to help him in the past, but the United States was moving with unusual caution Wednesday before attempting to whip up international backing for a new showdown.

On a whirlwind tour of the Gulf, Defense Secretary William Cohen, accompanied by Thomas Pickering, undersecretary of state for political affairs, avoided public statements. Traveling without the usual Pentagon press corps, they thus left room for speculation about U.S. intentions — to match the questions being asked in Western capitals about wby Iraq chose this particular moment for a confrontation..

The decision to end cooperation with the UN inspectors has been flatly condemned by Britain, Germany and other European countries, notably France, which was the architect of a UN review of sanctions that was finally accepted Friday — only to have Iraq slam the door on the Security Council the following day.

As the spokesman for the French Foreign Ministry explained Wednesday, "This review was exactly what Iraq had been asking for, saying that it wanted to see a light at the end of the tunnel and to know what calendar was being applied to its obligations." In the Gulf, too, Arab officials said that it was harder to offer any public defense of Baghdad even amid the hardships nf sanctions.

The Clinton administration was seeking to use international aggravatioo to cement a broad common front against President Saddam and ensure that his defiance did not prompt Russia or Iraq's Arab allies to plead for eased sanctions

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British Hear Anti-Pinochet Appeal

Spanish Government Asks House of Lords to Bar Immunity

By Warren Hoge
New York Times Service

LONDON — England's highest court was asked Wednesday to overrule a decision granting Augusto Pinochet immunity from prosecution for "savage and barbarous crimes" during the 17 years he ruled Chile.

Lawyers fnr the Spanish government, which has brought the charges against the 82-year-old former dictator, argued that it was a "repugnant notion, nffensive to all notions nf human rights" to categorize crimes such as genocide and torture as ones committed "in the course of nfficial functions as head nf state." The High Court in London ruled last week that General Pinochet's status as a "former sovereign" entitled him to immunity.

"It is the argumeot of the Spanish authorities that the savage and barbarous crimes committed in Chile and the territories of other states incloding the U.S.A., Spain and Italy are not within the functions of a head of state in English law, the law nf nations or the law of Chile," said Alun Jones, the Crown Prosecution Service lawyer representing the Spanish government.

Mr. Jones also questioned whether General Pinochet had even been head of state in the months after he deposed President Salvador Allende Gossens in September 1973 as leader of a military junta. The distinction is an important one, Mr. Jones said, because 28 people were "kidnapped, tortured and executed" on the first day alone of the military coup.

The Spanish charges say that at least 3,178 people were murdered or "disappeared" while General Pinochet ruled Chile until early 1990.

Clive Nicholls, representing General Pinochet, rejected the contention, saying, "There's no suggestion that anyone else was head of state at this time." Mr. Nicholls also protested against the admission of new evidence from the Spanish government, on grounds that it did not figure in the High Court decision's being appealed.

The 300-page document from the authorities in Madrid details "a most ferocious oppression" and a systematic criminal plot to eliminate ideological enemies of many nationalities during the Pinochet years. The judges said they would consider the new material and rule on its admissibility later.

General Pinochet was detained in a surprise arrest in London on Oct. 16 oo a request from Baltasar Garzon, a Spanish magistrate investigating atrocities committed during Latin America's "dirty wars" of the

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Alastair Grant/The Associated Press

A London policeman standing in front of a banner Wednesday outside the House of Lords.

Survivors of Storm in Nicaragua Emerge to a Vision of 'Hell'

By Molly Moore
Washington Post Service

LEON, Nicaragua — After the wall of muck roared down the slope of the dormant Casitas volcano, burying her family's village and most of the people in it, Rosa Maria Hurtado embarked on a tormented search for relatives that she described as a trek through hell.

"I saw tens of people walking nude out of the mud, crying and telling horror stories of how many others had died," Mrs. Hurtado, 38, said between sobs in a telephone interview from a hospital near this northwestern Nicaraguan town. "Most of them were bleeding and all bruised. I saw pieces of bodies in the mud. I saw a headless body of a child. They rescued a few people alive, but most of them were dead bodies."

Her brother survived by clinging to a piece of roof anchored in the mud until a rescue helicopter arrived. But 13 of her 20 relatives who resided near the volcano are dead, said Mrs. Hurtado, who had recently moved from the buried village to oearby Chinandega.

Six days after the hurricane designated Mitch and its remnants dumped 50 inches (127 centimeters) of rain on Central America, the death toll in the region is estimated at 9,000, abont 7,000 in Honduras and 1,800 to 2,400 in Nicaragua. About 13,000 people are still reported missing in Honduras and Nicaragua in the aftermath of one of the most deadly natural disasters to strike the region this century. An estimated 1 million people have been left homeless, according to government officials and aid organizations.

Relief efforts have been thwarted by a shortage of helicopters. The Nicaraguan Air Force only has seven aging Soviet choppers. The United States has diverted five helicopters from its U.S. Southern Command in Panama, and Mexico has donated two choppers to the relief efforts.

"People are still out there, buried up to their chests, screaming for help," said Jairo Javier Perez, a Red Cross worker.

On Tuesday, President Arnoldo Aleman of Nicaragua led a convoy of all-terrain vehicles through the waterlogged oorthwestern region of Nicaragua, which has been cut off from the rest of the country. Raging torrents have leapt every riverbank in the region, gobbling bridges, uprooting giant trees as though they were matchsticks, and flattening houses and crops.

But even the president's convoy, which was attacked by angry residents at two stops and became stuck while trying to ford a river, could oot reach the stricken area at the base of the Casitas volcano. "We don't want inspections," screamed an irate woman who joined a rowdy mob that

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The Wye Accord: When Pressure Worked

By Barton Gellman
Washington Post Service

WASHINGTON — As the Clinton administration looks ahead from a stopgap Middle East accord to the May 4 deadline for a final peace agreement, it is also looking back on the last six months to revisit an old question in U.S.-Israeli relations: Does pressure work?

In public formalities, as convention demands, the administration deplores the very term. An assistant secretary of state, Martin Indyk, has told Congress and Jewish groups that "pressure is not in our lexicon" when it comes to Israel. And the national security adviser, Samuel Berger, said in an interview that "there was never in my mind an ultimatum."

But in reconstructing the turn of events that revived Israeli-Palestinian talks after 19 months, officials speaking authoritatively for the White House and State Department point to three messages — one public and two private — that they describe as ultimatums by Secretary of State Madeleine Albright to Prime Minister Benjamin Netanyahu of Israel.

As they apportion credit for the Wye River summit meeting and attempt to recast the public portrayal of their role, the officials are making a blunt case that U.S. pressure was essential to dislodging the Israeli prime minister from a position of ceaseless maneuvering short of a deal.

Mr. Berger, preferring the term "impetus" to "ultimatum," ascribed pivotal importance to the Clinton administration's moment of greatest public confrontation with Mr. Netanyahu — when Mrs. Albright said at a London news conference in May that the United States would reconsider its mediating role if Israel did not assent to a U.S. peace proposal.

"What happened in May," Mr. Berger said, "broke the logjam and created a different dynamic."

That view has implications for the weeks to come, as relief at the freshly struck accord begins to collide with the testy business of the Israelis and Palestinians making good on it. It raises still bigger questions about the way Washington sees its role as the Israelis and Palestinians turn to their most basic disputes: statehood, borders, Jerusalem and refugees. Five years after they reached mutual recognition following talks in Oslo, the parties are due to take up those questions now and are committed in theory to resolving them by May.

On the one hand, the Clinton administration is giving unprecedented assurances to its traditional Israeli ally. In a confidential memorandum from Mrs. Albright to Mr. Clinton last month, portions of which were read to The Washington Post, she said the guarantees that President Jimmy Carter made to Prime Minister Menachem Begin of Israel before the 1979 Camp David negotiations with Egypt "pale in comparison" to those that Mr. Clinton has given to Mr. Netanyahu.

Four confidential side letters to the Israeli cabinet secretary, Danny Naveh, from the U.S. ambassador, Edward Walker, and Mr. Clinton's special envoy, Dennis Ross, first cited in the newspaper Ha'aretz and since obtained by The Post, describe some of those assurances.

Together they bear the implicit promise that Washington will not do again what it did to achieve the Wye River agreement on Oct. 23. Among other things, they promise that the United States will not "adopt any position or express any view" about the size of the next Israeli withdrawal from the West Bank; "opposes and will oppose" a unilateral declaration of Palestinian statehood, agrees that "only Israel can determine its own security needs" and will make no attempt to convene a new decision-making summit conference without "the agreement of both parties."

Officials make a blunt case that U.S. pressure was essential to dislodging the Israeli prime minister from a position of ceaseless maneuvering short of a deal.

On the other hand, the Clinton administration continues to portray the Israeli prime minister as a man torn between incompatible goals: to achieve a historic resolution of the Israeli-Palestinian dispute and to maintain his political base among national religious voters opposed to territorial compromise. Mr. Netanyahu, a senior official put it, is "all tactics, no strategy," playing for time between "his desire to get an agreement" and "his equally strong desire to avoid breaking with one of his core constituencies."

Mr. Berger, asked about that view, demurred. "If he hasn't crossed the Rubicon," he said, "he certainly jumped into it."

Mr. Netanyahu's fence-straddling, as Washington saw it, gave an opening for U.S. leverage since May, even as it made the use of leverage essential. The threat was simply, as Mr. Berger put it this week, "to end this initiative and explain to the public why we were doing that."

Mrs. Albright did not get the answer she sought in the "days, not weeks" her subordinates specified last May and neither did she carry through with the threat to walk away. But while her defenders invited mirth with background interviews arguing that months, after all, are comprised of days, the administration eventually did get what it sought. The deal met Mrs. Albright's public promise not to "water down" the U.S. plan, which is set forth with little substantive change in the Wye River Memorandum that was signed Oct. 23.

How exactly Mr. Netanyahu came to agree is nonetheless a matter of dispute, in part because all parties have scores to settle and images to protect.

By early spring, Yasser Arafat, the Palestinian leader, had accepted the basic outlines of an American plan exchanging a further 13 percent of the West Bank for a new package of security measures aimed at thwarting political violence against Israel. Mr. Netanyahu, in public and private, rejected the U.S. ideas. Mrs. Albright's ultimatums aimed to hasten what the peace team headed by Mr. Ross described as the elusive "second yes."

Israeli negotiators argue that U.S. pressure only delayed the accord, because it obliged Mr. Netanyahu to demonstrate that he could best Mr. Clinton and Mrs. Albright on their own turf — in Congress and in the organized U.S. Jewish community.

Palestinians and some third-country analysts, along with several senior Israelis, argue that the dynamic of the conflict itself exerted more pressure on Mr. Netanyahu than anything that happened in Washington.

The administration's new account of events in May includes details of a private ultimatum not disclosed before. Late on May 3 in the Churchill Hotel in London, the night before both officials left the city following dueling news conferences, Mrs. Albright closed her meeting with Mr. Netanyahu by telling him she had to know by morning whether he intended to find a way of reaching a 13 percent withdrawal on the West Bank.

U.S. officials said Mr. Netanyahu looked as nervous as they had ever seen him the following day. That morning he sent his closest lieutenants — Mr. Naveh and Yitzhak Molcho, a lawyer — with a message of conciliation for Mr. Ross.

Mr. Netanyahu had a term for the difference between his offer of 9 percent and the U.S. demand for a transfer of 13 percent of the West Bank to the Palestinians. For reasons obscure to the Americans, he called it "the epsilon."

Mrs. Albright phoned Mr. Arafat on June 3 to say that Mr. Netanyahu accepted the 13 percent target but wanted to define part of it as land on which Palestinians could not build. In London the next day, Mr. Ross met Mr. Arafat's top lieutenants, Ahmed Qureia and Mahmoud Abbas, to float ideas ranging from a chunk of land held "in escrow" by the United States to an Israeli veto on Palestinian zoning decisions.

"I personally refused," Mr. Qureia said. "I told him this model has a very bad reputation among the Palestinians."

The talks entered a period of atrophy.

By August, Mr. Netanyahu authorized Mr. Molcho to revive a secret channel to Mr. Qureia. Meeting alternately at each other's homes, in Jerusalem and its Arab suburb of Abu Dis, they worked out a handwritten agreement that 3 percent of the 13 percent withdrawal would be a Judean desert nature reserve.

September and October were devoted to Israel's demands for a quid pro quo: concrete assurances, city by city and name by name, of a Palestinian crackdown on Islamic extremists, and a vote by the Palestinian National Council to revoke the anti-Israel provisions of the 1964 Palestinian Covenant.

The parties finessed that problem at Wye with Israel's agreement that Mr. Arafat could pack the Palestinian National Council with enough extra supporters to revoke the provisions, and Mr. Clinton agreed to travel to Gaza for the occasion.

At 2:30 A.M. on Oct. 21, Mrs. Albright phoned Mr. Netanyahu and wished him happy birthday. Then she delivered what officials described as the third and final ultimatum of the year. Washington had extracted as detailed and complete a Palestinian security plan as it thought possible, she said, and Mr. Clinton wanted to know whether to return to Wye to finish the accord.

"We want to get your comments by the morning, and if you don't think this does it we don't know what else we can do," Mrs. Albright told Mr. Netanyahu, according to a member of her party. Administration officials said it was that call that led to Mr. Netanyahu's abortive threat to walk out of the conference later that day. But again he pulled back from the brink of open conflict with Washington, and 24 hours later the deal was done.

King Juan Carlos of Spain greeting Yasser Arafat in Madrid on Wednesday. Mr. Arafat said that he was pursuing the 18 Palestinian suspects who are still at large.

Arafat Acts to Combat Terror

Palestinian Leader Says 12 Suspects Already Arrested

Compiled by Our Staff From Dispatches

MADRID — The Palestinian leader, Yasser Arafat, said Wednesday that the Palestinian Authority had already arrested 12 of the 30 Palestinians who Israel says are responsible for the deaths of nearly 100 Israelis.

Mr. Arafat said during a visit to Spain that the Palestinians would continue to work "100 percent" toward detaining the remaining people.

"They are people who have committed terrorist acts," Mr. Arafat said in Arabic, which was translated into Spanish. "We will continue to pursue the others. We will continue working 100 percent, but nobody can achieve 100 percent results."

Israel has named 30 Palestinians, including 12 it said were members of the security forces, whom it insists the Palestinian Authority must arrest on suspicion of killing or trying to kill Israelis.

For the third time in a week, Prime Minister Benjamin Netanyahu of Israel on Wednesday delayed a cabinet meeting meant to ratify the land-for-security deal he signed with Mr. Arafat last month.

He wants the Palestinians first to promise the United States in writing they will jail the 30 alleged Palestinian killers. Mr. Netanyahu's spokesman said the Israelis want the Palestinians to provide a list of dates for arresting the 30 suspects over the next 12 weeks.

The new delay makes it increasingly unlikely that Israel and the Palestinians will stick to the 12-week timetable that was to go begin Monday. As part of the plan, Israel was to withdraw from 13 percent of the West Bank — with the first pullback installment due Nov. 16 — in exchange for Palestinian security steps.

The Palestinians reacted angrily, saying Mr. Netanyahu was seizing a pretext to try to dismantle the peace agreement. A Palestinian negotiator, Saeb Erekat, said that Mr. Netanyahu was "inventing new agreements."

But despite the recriminations, there were first signs that the dispute could be resolved. U.S. officials said they were mediating and that they expected results "shortly."

The new dispute made it clear that any goodwill created during last month's Mideast summit talks at Wye Plantation in Maryland had dissipated and that the United States will be called in as a referee throughout the implementation process. *(Reuters, AP)*

Israel to Charge Ex-Agent Over Rabin Killing

Reuters

JERUSALEM — Israel said Wednesday it would charge a former undercover agent with failing to prevent an extremist Jew he had befriended, Yigal Amir, from killing Prime Minister Yitzhak Rabin in 1995.

On the third anniversary of Mr. Rabin's murder, Attorney General Eliakim Rubinstein announced that charges would be brought against Avishai Raviv, 31, who was an informer in the ranks of Israel's militant right for the Shin Bet security service.

Mr. Raviv, known to his purported secret service contacts as "Champagne," has been virtually untraceable — but for a single interview — since shortly after Mr. Amir gunned down Mr. Rabin on Nov. 4, 1995.

"We will put Mr. Raviv on trial on the charge of failing to prevent a crime in all that has to do with the murder of the late Prime Minister Yitzhak Rabin," Mr. Rubinstein told a news conference.

He said Mr. Raviv was not suspected of knowing the precise date or the plan for the assassination, but of failing to prevent Mr. Amir from carrying out his intention to end Mr. Rabin's life. The charge carries a maximum two-year jail sentence on conviction.

Mr. Raviv took an active role in vehement anti-Rabin activities before the killing and was present at the Tel Aviv peace rally after which Mr. Amir shot Mr. Rabin. In television videotape shot during a noisy anti-Rabin protest in Jerusalem shortly before the shooting, Mr. Raviv was shown to hold up a poster depicting Mr. Rabin in a Nazi SS uniform.

Mr. Amir killed Mr. Rabin in a bid to halt peace moves with the Arabs. He was jailed for life. Others convicted in the case were the gunman's brother, Hagai Amir, jailed for 12 years; Dror Adani, a friend jailed for seven years, and Margalit Har-Shefi, a woman friend sentenced to nine months in September for failing to prevent the killing.

Mr. Rubinstein said Mr. Raviv apparently knew of Mr. Amir's intentions to kill Mr. Rabin but for one reason or another failed to report them.

Avishai Raviv is accused of not preventing the plot.

Jewish Settlers Start Trailer Park on Hill

The Associated Press

JERUSALEM — Jewish settlers have moved 17 mobile homes onto a West Bank hill, and peace activists said Wednesday that this was part of a campaign to disrupt the Israeli-Palestinian peace accord.

Mobile homes have been put up in at least two other sites since the Oct. 23 signing of the new Middle East agreement. It calls for an Israeli troop pullback from 13 percent of the West Bank.

Settler leaders have said they are seizing land because they fear it would otherwise be handed over to the Palestinians.

In the latest incident, 17 mobile homes were erected about 250 meters from the Avnei Hefetz settlement, a cluster of 150 homes 35 kilometers (20 miles) northeast of Tel Aviv. Israel Bonder, a settlement official, said the trailer park was planned months ago and not linked to the expected Israeli withdrawal. The mobile homes will be replaced eventually with permanent housing, he added, without saying how many homes are to be built.

TRAVEL UPDATE

A Paris Runway

PARIS (AFP) — The first of two new runways for Roissy-Charles de Gaulle Airport will open Thursday, Aeroports de Paris said Wednesday.

Runway Four, which cost 600 million francs ($109 million), is part of a 1.5-billion-franc investment that also calls for lengthening two existing runways, the operator said.

Southern Florida was under a storm warning Wednesday as the storm designated Mitch headed toward the state with heavy rain after killing thousands of people in Central America. *(AP)*

The U.S. State Department said Tuesday that it could not discount the possibility of anti-American violence if Washington decides to take military action against Iraq in the latest standoff over United Nations weapons inspections. *(Reuters)*

Eiffel Tower workers were on strike Wednesday for the sixth day running to demand extra staff at the Parisian landmark. *(AFP)*

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

North America
Unseasonably chilly across the eastern half of the nation through the period. New York City, Washington, D.C., Toronto and Chicago will all be mainly dry and chilly. Turning cooler in Miami with showers possible. Mainly dry in Los Angeles.

Europe
Dry and chilly in London and Paris on Friday, then turning milder over the weekend with increasingly gusty winds. Windy and chilly in Amsterdam Friday, then dry for the weekend. Rome will have rain on Friday, then will turn dry and cool.

Asia
Mainly dry in Tokyo on Friday, then some rain is possible over the weekend. Hong Kong will be dry and warm while Singapore is hot and humid with showers and thunderstorms at times. Seoul will have a few showers on Friday, then turn dry and cooler.

Maps, forecasts and data provided by AccuWeather, Inc. ©1998 - http://www.accuweather.com

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	17/62	9/48 s	18/64	10/55 pc
Amsterdam	5/41	2/35 sn	7/44	3/37 c
Ankara	20/68	4/39 pc	21/70	6/43 pc
Athens	25/77	17/62 s	26/79	17/62 pc
Barcelona	12/53	4/39 c	12/53	4/39 s
Belgrade	16/61	8/46 r	10/50	6/43 r
Berlin	5/41	0/32 c	3/37	-1/31 c
Brussels	6/43	2/35 sh	6/43	2/35 c
Bucharest	21/70	11/52 c	13/55	7/44 r
Budapest	8/46	1/34 pc	8/46	1/34 s
Copenhagen	3/37	2/35 sn	4/39	-2/28 pc
Costa Del Sol	19/66	11/52 pc	17/62	13/55 c
Dublin	8/46	4/39 c	8/46	6/46 c
Edinburgh	6/43	0/32 r	6/43	6/43 r
Florence	13/55	8/46 r	12/53	8/46 sh
Frankfurt	2/35	0/32 sn	4/39	-2/28 sn
Geneva	5/41	-3/27 pc	6/43	-2/28 pc
Helsinki	2/35	-1/31 c	-1/31	-6/22 sn
Istanbul	22/71	16/61 pc	22/71	15/59 pc
Kiev	8/46	-1/31 c	2/35	-3/26 sn
Las Palmas	24/75	19/66 pc	24/75	18/64 pc
Lisbon	16/61	7/44 s	15/59	12/53 pc
London	8/46	2/35 c	10/50	8/46 pc
Madrid	15/59	2/37 c	13/55	1/34 pc
Mallorca	14/57	8/46 r	16/61	8/43 pc
Milan	10/50	1/34 pc	11/52	2/35 s
Moscow	2/35	-1/31 sn	1/34	-4/25 sn
Munich	4/39	-4/25 c	5/41	-4/25 pc
Nice	16/61	8/46 c	15/59	7/44 pc
Oslo	0/32	-2/28 sn	-3/26	-8/18 pc
Paris	7/44	-1/31 c	7/44	3/37 c
Prague	2/35	-3/27 c	3/37	-2/28 c
Reykjavik	-6/22	-8/18 pc	-2/28	-3/26 pc
Riga	3/37	1/34 sn	1/34	-3/27 sn
Rome	19/66	14/57 sh	18/64	12/53 sh
St. Petersburg	1/34	-3/27 sn	1/34	-3/27 sf
Sofia	18/64	10/50 c	19/64	8/46 c
Stockholm	2/35	-1/31 sf	1/34	-6/22 sf
Strasbourg	5/41	-2/28 c	4/39	-1/31 pc
Tallinn	1/34	1/34 c	2/35	-4/25 sn
Tbilisi	21/70	11/52 pc	21/70	11/52 pc
Vienna	13/55	5/41 pc	12/53	3/37 r
Warsaw	6/43	-2/28 pc	7/44	2/35 r
Zurich	5/41	-2/28 c	5/41	-1/31 pc

Middle East

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Abu Dhabi	35/95	18/66 s	35/95	18/66 s
Beirut	27/80	19/66 s	29/84	19/66 s
Cairo	29/82	18/64 s	30/86	20/68 s
Damascus	29/84	11/52 s	31/88	12/53 s
Jerusalem	28/82	14/57 s	27/80	13/55 s
Luxor	30/91	12/53 s	35/95	14/57 s
Riyadh	33/91	16/61 s	32/89	14/57 s
Tehran	22/71	11/52 s	23/73	12/53 s

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	16/61	3/37 pc	16/61	-4/24 s
Bali	32/89	24/75 t	31/88	25/77 t
Bangkok	32/89	23/73 pc	31/88	23/73 pc
Beijing	15/59	5/41 pc	14/57	3/37 s
Bombay	33/91	24/75 pc	35/95	23/73 s
Calcutta	31/88	20/68 s	30/86	21/70 s
Chiang Mai	29/84	18/64 pc	28/82	17/62 pc
Colombo	31/88	24/75 t	31/88	23/73 sh
Hanoi	28/82	21/70 s	27/80	21/70 pc
Ho Chi Minh	34/93	24/75 pc	32/89	24/75 c
Hong Kong	28/79	21/70 pc	28/79	21/70 sh
Islamabad	28/82	9/48 s	28/82	11/52 s
Jakarta	31/88	23/73 sh	32/89	24/75 t
Karachi	35/95	19/66 s	37/99	19/66 s
K. Lumpur	31/88	24/75 t	31/88	25/77 t
K. Kinabalu	29/82	23/73 t	29/84	23/73 t
Manila	32/89	23/73 pc	32/89	24/75 pc
New Delhi	32/89	14/57 s	31/88	13/55 s
Phnom Penh	32/89	24/75 pc	31/88	24/75 t
Phuket	32/89	23/73 pc	31/88	23/73 pc
Rangoon	31/88	22/71 pc	31/88	22/71 pc
Seoul	16/61	4/39 s	15/59	6/43 pc
Shanghai	22/71	13/55 pc	21/70	12/53 pc
Singapore	29/84	24/75 sh	31/88	23/73 r
Taipei	28/79	21/70 t	25/77	19/66 sh
Tokyo	19/66	8/46 pc	15/59	13/55 pc
Vientiane	32/89	18/64 s	30/86	18/64 s

Africa

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algiers	23/73	15/59 pc	20/68	12/53 r
Cape Town	12/53	2/35 t	12/53	4/39 pc
Casablanca	18/64	14/57 c	23/73	16/61 pc
Harare	31/88	11/52 s	29/84	12/53 s
Johannesburg	23/73	10/50 sh	25/77	13/55 pc
Lagos	31/88	23/73 pc	31/88	23/73 pc
Nairobi	28/82	13/55 pc	28/82	13/55 c
Tunis	23/64	16/64 pc	25/79	15/59 c

Latin America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Buenos Aires	22/71	14/57 r	21/70	14/57 r
Caracas	24/84	21/70 pc	28/82	22/71 c
Lima	24/75	17/62 s	24/75	18/64 s
Mexico City	22/71	9/48 pc	20/68	9/48 c
Rio de Janeiro	28/78	19/66 pc	25/77	20/68 pc
Santiago	27/80	7/44 s	23/73	6/43 s

Oceania

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Auckland	18/64	12/53 s	18/64	13/55 pc
Sydney	25/77	21/70 s	28/78	20/68 t

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	4/39	-2/28 pc	2/37	-1/31 pc
Atlanta	15/59	3/37 pc	12/53	1/34 s
Boston	11/52	2/35 s	8/46	1/34 pc
Chicago	4/39	-3/27 pc	4/39	-3/27 pc
Dallas	16/61	4/39 s	13/55	7/44 sh
Denver	8/46	-2/28 pc	7/44	-4/25 sn
Detroit	6/43	-2/28 pc	3/37	-3/27 c
Honolulu	27/80	23/73 pc	27/80	21/70 pc
Houston	19/66	6/43 s	15/59	10/50 pc
Los Angeles	24/75	6/48 s	24/75	6/48 s
Miami	29/84	19/66 r	25/77	17/62 pc
Minneapolis	2/35	-6/22 pc	3/37	-4/25 pc
Montreal	2/35	-5/24 c	2/35	-5/24 c
Nassau	30/86	23/73 t	28/82	21/70 pc
New York	9/48	3/37 s	8/46	3/35 pc
Orlando	22/71	13/55 r	21/70	10/50 s
Phoenix	28/82	13/55 s	27/80	12/53 s
San Fran.	17/62	8/46 s	15/59	8/46 pc
Seattle	9/48	5/41 sh	9/48	3/37 sh
Toronto	4/39	-5/24 c	3/37	-6/22 c
Vancouver	7/44	2/35 sh	7/44	-1/31 pc
Washington	11/52	2/35 s	8/46	0/32 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, fog, W-Weather.

Printed by Newsfax International, London. Registered as a newspaper at the post office.

ELECTION '98 / *Mixed Results in Gubernatorial Races*

Democrats Win California, but Most Key Statehouses Stay Republican

By Todd S. Purdum
and David E. Rosenbaum
New York Times Service

LOS ANGELES — Lieutenant Governor Gray Davis, a cautious career politician once dismissed as an uncharismatic underdog, gave the Democrats the biggest prize of the midterm election, defeating state Attorney General Dan Lungren to become the 37th governor of California.

Mr. Davis's victory Tuesday over Mr. Lungren, a 52-year-old Republican former congressman from Long Beach, marked only the fourth time this century that a Democrat has won the governorship of the largest state. It put the Democrats in control of all three branches of government in the state capital, Sacramento — and thus control of legislative and congressional redistricting — for the first time since Jerry Brown left office 16 years ago.

The governors of the next eight most populous states will still be Republicans, though. Of the 36 governor's seats up for grabs, Republicans won 23, Democrats 11 and independents 2 (Maine and Minnesota). The Republicans suffered a net loss of one while the Democrats held steady. After swearing-in ceremonies next year, there will be 31 Republican governors, 17 Democrats and two independents.

Governor George Bush of Texas was re-elected, winning easily over Gary Mauro, the state land commissioner; his victory could pave the way for a run for the presidency in 2000. And his brother, Jeb Bush, was elected governor of Florida, meaning that brothers will be serving simultaneously as governor for only the second time. Jeb Bush defeated Lieutenant Governor Kenneth MacKay Jr.; Governor Lawton Chiles, a Democrat, is retiring.

Elsewhere in the South, however, Democrats reversed a decades-long trend toward Republican control of governorships, ousting Republican governors in South Carolina and Alabama and retaining a hotly contested seat in Georgia.

On a national level, the main effect of Tuesday's elections for governor may be felt in the states that are likely to gain and lose congressional seats as a result of the 2000 census. The gainers are expected to include California, Arizona, Georgia, Texas, Colorado and Florida. States that may lose seats include Connecticut, Illinois, Michigan, Ohio, Oklahoma and Wisconsin.

In California, Mr. Davis, a 55-year-old Vietnam veteran who won a Bronze Star, pieced together a broad coalition of voters by methodically portraying Mr. Lungren as an extremist outside the mainstream of a fundamentally moderate and increasingly Hispanic electorate concerned about issues such as abortion and the environment. Mr. Davis neutralized Mr. Lungren's crime-fighting credentials by focusing on his own longtime support of the death penalty. Mervin Field, a California pollster, said of Mr. Davis, "He's riding the tide of what I'd call contented apathy."

Nearly eight in 10 voters said the state's economic condition was good or excellent, and nearly half said it would stay about the same in the coming year.

In South Carolina, one of the most conservative and normally most Republican states, Jim Hodges, a Democrat and a former state legislator, defeated the Republican governor, David Beasley. In Alabama, Lieutenant Governor Don Siegelman, a Democrat, beat Governor Fob James, a Republican.

In both cases, gambling was an issue. Mr. Hodges favored the legalization of video poker in South Carolina, and Mr. Siegelman advocated a lottery in Alabama to raise money for education.

In Georgia, Roy Barnes, a state representative, won the seat being vacated by the Democratic governor, Zell Miller. Mr. Barnes defeated Guy Millner, a Republican businessman who was making his second run for the office.

Democrats also won a close race in Maryland, where Governor Parris Glendening was re-elected.

Republican governors were re-elected in New York, Connecticut, Arkansas, Arizona, Kansas, Massachusetts, Michigan, New Mexico, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Tennessee, Wisconsin and Wyoming. Democrats were re-elected in New Hampshire and Vermont.

In the Midwest, seats changed hands in Iowa and Nebraska, where governors are retiring. In Iowa, state Senator Tom Vilsack, a Democrat, was elected to replace the Republican governor, Terry Branstad. In Nebraska, Mayor Mike Johanns of Lincoln, a Republican, was elected to replace Governor Ben Nelson, a Democrat.

Republicans were elected in Ohio and Idaho. The new governor of Ohio is Bob Taft, the son and grandson of senators, while the new governor of Idaho is Senator Dirk Kempthorne.

In Minnesota, voters, in a surprise, chose Jesse Ventura, the Reform Party candidate and a former professional wrestler. He defeated the Democratic state attorney general, Hubert Humphrey 3d, son of the former vice president, and the St. Paul mayor, Norm Coleman, a Republican.

Until Tuesday, the Clinton years had been political disasters for Democrats in the state capitals. When President Bill Clinton took office in January 1993, Democrats held the governorships of 30 states. Republicans held 18, and two governors were independents. But in 1993, Democratic governors were ousted in New Jersey and Virginia.

Eleven more governorships were taken over in the 1994 Republican sweep. And Republicans picked up three more in 1996.

Governors

The Associated Press

Here are returns as of 0920 GMT in the races for governor. Winners are marked with an "x." An (i) means incumbent. "Open" means there was no incumbent in the race.

ALABAMA (99%)			
x-Siegelman	D	747,541	58
James	R (i)	542,531	42
ALASKA (96%)			
x-Knowles	D (i)	95,731	65
Lindauer	R	32,229	22
ARIZONA (99%)			
Johnson	D	328,268	36
x-Hull	R (i)	554,353	61
ARKANSAS (94%)			
Bristow	D	261,943	39
x-Huckabee	R (i)	397,033	59
CALIFORNIA (99%) open			
x-Davis	D	4,290,572	58
Lungren	R	2,837,215	38
COLORADO (99%) open			
Schoettler	D	621,801	49
x-Owens	R	626,559	49
CONNECTICUT (99%)			
Kennelly	D.	341,671	35
x-Rowland	R (i)	607,997	63
FLORIDA (100%) open			
MacKay	D	1,768,742	45
x-Bush	R	2,179,571	55
GEORGIA (98%) open			
x-Barnes	D	908,083	53
Millner	R	743,243	43
HAWAII (99%)			
x-Cayetano	D (i)	197,639	50
Lingle	R	192,582	49
IDAHO (98%) open			
Huntley	D	169,415	29
x-Kempthorne	R	250,250	68
ILLINOIS (98%) open			
Poshard	D	1,557,157	47
x-Ryan	R	1,681,319	51
IOWA (99%) open			
x-Vilsack	D	497,729	52
Lightfoot	R	442,473	47
KANSAS (99%)			
Sawyer	D	163,502	23
x-Graves	R (i)	529,208	73
MAINE (97%)			
Connolly	D	46,541	12
Lougley	R	73,291	19
x-Angus King	In (i)	226,067	59
MARYLAND (100%)			
x-Glendening	D (i)	826,609	56
Sauerbrey	R	662,554	44
MASSACHUSETTS (95%)			
Harshbarger	D	862,193	48
x-Cellucci	R (i)	918,861	51
MICHIGAN (99%)			
Fieger	D	1,122,275	38
x-Engler	R (i)	1,868,191	62
MINNESOTA (96%) open			
Humphrey	D	565,461	28
Coleman	R	693,448	34
x-Ventura	RP	745,307	37
NEBRASKA (99%) open			
Hoppner	D	236,670	46
x-Johanns	R	277,312	54
NEVADA (97%) open			
Jones	D	181,344	42
x-Guinn	R	222,698	52
NEW HAMPSHIRE (99%)			
x-Shaheen	D (i)	209,626	66
Lucas	R	97,802	31
NEW MEXICO (99%)			
Chavez	D	205,888	46
x-Johnson	R (i)	240,180	54
NEW YORK (98%)			
Vallone	D	1,458,563	33
x-Pataki	R (i)	2,395,176	54
OHIO (99%) open			
Fisher	D	1,471,348	45
x-Taft	R	1,650,404	50
OKLAHOMA (100%)			
Boyd	D	364,637	41
x-Keating	R (i)	512,572	58
OREGON (32%)			
x-Kitzhaber	D (i)	265,078	63
Sizemore	R	129,500	31
PENNSYLVANIA (99%)			
Itkin	D	931,810	31
x-Ridge	R (i)	1,726,748	57
RHODE ISLAND (99%)			
York	D	124,435	42
x-Almond	R (i)	150,787	51
SOUTH CAROLINA (99%)			
x-Hodges	D	555,657	53
Beasley	R (i)	473,984	45
SOUTH DAKOTA (99%)			
Hunhoff	D	84,789	33
x-Janklow	R (i)	165,181	64
TENNESSEE (100%)			
Hooker	D	287,052	30
x-Sundquist	R (i)	667,689	69
TEXAS (100%)			
Mauro	D	1,157,574	31
x-Bush	R (i)	2,569,195	69
VERMONT (95%)			
x-Dean	D (i)	117,490	56
Dwyer	R	86,571	41
WISCONSIN (96%)			
Garvey	D	658,383	38
x-Thompson	R (i)	1,036,450	60
WYOMING (100%)			
Vinich	D	70,661	40
x-Geringer	R (i)	97,299	56

'Dynasty,' the All-Bush Show

Victories in Texas and Florida Add to Family's Success

By Rick Lyman
and Mireya Navarro
New York Times Service

AUSTIN, Texas — George Bush set down his peanut butter and raspberry jelly sandwich and wrinkled his nose, as though the aide on the other side of the tiny campaign plane had tossed him liverwurst by mistake. But it wasn't the sandwich. It was that word someone just said.

"Dynasty," he repeated with a sour edge. "In a dynasty, you don't have to earn anything. In a democracy, you've got to earn it."

Mr. Bush, 52, was bouncing around the state on one of the final swings of a steamroller of a campaign that on Tuesday saw him become the first person in Texas history to win consecutive four-year terms as governor of the nation's second-largest state. (Until 1974, Texas governors served two-year terms.) On the same day, his brother, Jeb, 45, won the governorship of Florida, the nation's fourth-largest state, rebounding from a narrow loss in the race for the job four years ago.

Their grandfather was a U.S. senator from Connecticut. Their father was president of the United States.

Maybe it's not a dynasty. But it's not liverwurst, either.

This was supposed to happen four years ago, when Jeb Bush made his first run for governor in Florida. Many close to the family considered the younger brother the more astute politician, and it surprised some that it was the older brother alone who won in 1994.

George Bush said that he has a photograph from his inauguration that he finds himself looking at every now and then. In it, he is taking the oath of office while, in the background, his father can be seen wiping away a tear. "And there, on the other side, is Jeb," he said. "He's looking happy and proud, but also something else, maybe a little sad, too. It's a tough moment, tough for me to look at. I love my brother, you see."

Something else has happened in those intervening years. George Bush had emerged as the front-runner in virtually every poll for the Republican nomination for president in 2000, a goal that he has not yet said he desires but which Tuesday's Bush victories will go a significant way toward making more possible.

"There is no doubt that having two brothers and two sons of a former president as governors of two of the largest and most politically pivotal states in the country, and one of them as a potential presidential candidate, makes the Bushes one of the most remarkable political families of the 20th century," said Ralph Reed, a Republican strategist in Atlanta.

"It's the legitimate manifestation of a Republican dynasty," said Rich Bonds, a former Republican national chairman who has known the Bush family for many years.

Less clear is what it means to the two states. What's a dynasty to do in the 1990s?

Most government officials and political observers in Austin and Tallahassee believe that it will do neither brother much good at home to have a sibling running another state, no matter how sizable. They will have to make their own way with their own legislatures.

But there is no doubt that if George Bush does decide to run for president, having a brother in the governor's mansion in Tallahassee will be very, very helpful.

It is rare for American political families to produce two governors at the same time, said Stephen Hess, a senior fellow at the Brookings Institution in Washington who wrote the book, "America's Political Dynasties," in 1966. Usually, he said, such dynasties are centered in a single state — the Tafts of Ohio, the Adamses of Massachusetts, the Frelinghuysens of New Jersey, the Longs of Louisiana — although there are exceptions, which Mr. Hess calls "free-floating dynasties."

The Kennedys began in Massachusetts, but later made their mark in New York and Maryland. The family that most recently held two governorships at once was the Rockefellers, in New York and Arkansas.

"And when you talk about the Bushes, you are not talking about a family of ward bosses in Chicago," Mr. Hess said. "These folks are U.S. senators, vice president, president, governors of two of the largest states in the country. We're talking about quite a powerhouse. It is sure going to be an advantage if George W. Bush decides he wants to run for president."

Mr. Bush crumpled up the paper that held his sandwich and glanced out the plane's window toward the flat, green fields of north central Texas, striated with wiggling creeks and their bright yellow flood plains.

"We inherited a great name," he said. "It's a great political legacy. It's obviously a political advantage. But to me, the election of two sons as governors is a tribute to George H.W. Bush and Barbara Bush. It's a great tribute to my mom and dad."

Jim Mone/The Associated Press

Jesse Ventura, pro wrestler and governor-elect.

In Minnesota, Big Talk Defeats Bigger Money

By Marc Fisher
Washington Post Service

WASHINGTON — Jesse (The Body) Ventura, professional wrestler and radio "shock jock," has apparently won a three-way race for governor of Minnesota, delivering a harsh body blow to the political pros: He would become the nation's first governor to have his own action figure doll.

From out of nowhere, Mr. Ventura, a Porsche-driving populist running under the Reform Party banner, left Mayor Norm Coleman of St. Paul, a Republican, and Hubert Humphrey 3d, a Democrat, the state attorney general and son of the late vice president, bleeding on the mat.

With 92 percent of precincts reporting Wednesday, Mr. Ventura had 714,327 votes, or 37 percent of the total. Mr. Coleman had 661,761 votes, 34 percent, and Mr. Humphrey had 541,609 votes, or 28 percent.

Campaigning with little money for television ads but plenty of name recognition thanks to his wrestling, movie and talk-radio careers, Mr. Ventura at first seemed not to take his own candidacy seriously. He spoke openly of resuming his radio show after Election Day. But as his cut-rate campaign gained in the polls, Mr. Ventura kept the experts on edge with his odd pronouncements — he publicly pondered the merits of legalizing drugs and prostitution — and redubbed himself "The Mind."

"This is beyond the expectations that any of us felt, at least I did," an obviously stunned Mr. Ventura told shouting, barking supporters late Tuesday night. "The American Dream lives on in Minnesota as we shocked the world. I'll bet you they're never going to take the people lightly again, are they?" He flashed a sheepish, gap-toothed smile and his shaved head gleamed under the TV lights.

"Governor Body," as he called himself, would be the Reform Party's first governor, facing a state legislature in which his party has not a single representative. Mr. Ventura appears to have little, if any, connection to the Reform Party's creator, Ross Perot, sharing only the spirit of the Texas billionaire's shout against the status quo.

Mr. Ventura's Democratic and Republican opponents raised $4.3 million for their campaigns; Mr. Ventura spent $250,000. With support concentrated among young men, he roamed the state demonstrating straight talk and regular-guy habits. He ate big burgers, talked of big tax breaks and quoted the big, deceased thinkers — Jerry Garcia of the Grateful Dead and the Doors' Jim Morison.

POLITICAL NOTES

Washington Watershed

WASHINGTON — Anthony Williams, a Harvard-trained, bow-tied technocrat whose no-nonsense management style and assurances of solid fiscal leadership resonated with voters, soundly defeated his Republican challenger, Carol Schwartz, on Tuesday to become the fourth elected mayor of the District of Columbia.

The election marked a watershed for the U.S. capital, ending the Marion Barry era and establishing a white majority on the elected D.C. Council. It came as Senator Lauch Faircloth, Republican of North Carolina and the district's nemesis on Capitol Hill, was ousted by the voters and as the district's financial control board stood ready to empower the new mayor with responsibilities that Congress stripped from Mr. Barry last year.

Mr. Williams, the district's former chief financial officer and a central figure in its financial resurrection, won by better than a 2-to-1 ratio, sweeping to victory in all eight of Washington's wards. His victory was tempered slightly by the lowest turnout in a mayoral general election since 1982. After elections in 1990 and 1994 that drew more than half the registered voters, the turnout Tuesday was just 39 percent. *(WP)*

Voters Like His Pitch

FRANKFORT, Kentucky — Jim Bunning, a baseball Hall of Famer who pitched two no-hitters, one of them a perfect game for the Philadelphia Phillies in 1964, campaigned in much the same way as he played.

The Republican defeated a fellow Kentucky congressman, Scotty Baesler, a Democrat, on Tuesday for the Senate seat vacated by another Democrat, Wendell Ford. Mr. Bunning got 50 percent of the vote to Mr. Baesler's 49 percent.

Before he was a six-term congressman, Mr. Bunning won 224 games and was known never to be afraid to throw a knockdown pitch.

During the Senate campaign, he seized on his chairmanship of a House subcommittee on social security to gain control of an issue that Democrats had hoped to seize. He was blunt and often irascible.

Mr. Bunning was a founder of the baseball players' union and later became a sports agent. His first elective post was as a city councilman in Fort Thomas, Kentucky, and he served four years in the state's Senate. He was the Republican nominee for governor in 1983 but lost. *(AP)*

Bernie Sits This One Out

NEW YORK — Rafael Rivera, a welder, was too busy working. Marty McCarthy, a maintenance man, forgot all about it and never registered. Anna Kang, a bank manager, felt she did not have enough information about the candidates.

Bernie, 78, who declined to give his last name, had too much information. "I've seen all their commercials — thank God they won't be on any more," he said as he passed the noon hour on Election Day at the Tree Top Cafe, an Irish bar in Norwood in the northwest Bronx. "I don't believe anything that any of the candidates have said."

For all the closed government offices and a barrage of newspaper and television coverage, Tuesday was just a regular day for many of the millions who did not cast ballots. The heated Senate race in New York state between Alfonse D'Amato, the Republican, and Charles Schumer, the Democrat, was background noise for these people. Many have never voted, though others, like Bernie, said they were sitting out for the first time.

"I've gotten to the point where I don't trust any of them," said Bernie, a retired printer who said he had spent his entire life in the Bronx except for six years in the air force. "Their promises they never keep, watch my lips and all that." *(NYT)*

Quote/Unquote

Judy Malone-Stein, a voter in Houston: "I voted against the Republicans for being such pinheads, for not getting down to issues. It's a dangerous time in this country when people start prying into people's private lives and not taking care of business." *(NYT)*

American and German Legal Systems Put on Display at Show Trial in China

By John Pomfret
Washington Post Service

BEIJING — Roberta Ramo, a bank teller, was counting money on a summer afternoon last year, when a man with a bandanna over his face and a gun stuck in his belt appeared in front of her with a note: "Fill these here bags in 10 seconds or I'll blow you away."

Thus began a program to teach Chinese jurists about the U.S. and German legal systems.

In front of an audience of judges, legal scholars and prosecutors gathered from throughout China, American and German judges and lawyers tried two identical cases last week in the first moot-court presentation by Westerners for their Chinese counterparts.

The Americans brought in a big American flag and the seal of the U.S. District Court for the Northern District of Illinois to give their half of the affair an air of authenticity.

The weeklong moot court — in which law students argue hypothetical cases — in a cavernous auditorium in the Beijing Supreme People's Court illustrated recent strides made by China's legal system.

Reform of China's legal system is perhaps one of the hottest topics today among Chinese who are interested in political reform. The Ford Foundation and the American Bar Association, sponsors of the program, had been trying for three years to get China's approval to put on this demonstration.

"This is an important development," said Ms. Ramo, the "bank teller" who actually is a past president of the American Bar Association. "The whole idea of seeing an American courtroom in the Beijing's People's Court, well, it's kind of mind-blowing."

China, experts say, still has a long way to go in revising its legal system. The human rights organization Amnesty International estimates that 2,000 people are in jail here for political crimes, 250 of them because of participation in the student-led protests around Tiananmen Square in 1989 that were crushed by the People's Liberation Army.

About 230,000 people are being held in labor camps, and the police retain the power to sentence people to three years in a labor camp without a trial. Torture occurs routinely even though in 1987 China signed the international Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

A living example of China's legal weakness sat outside the court during the American-German program. There a woman silently tried to protest the sentencing of her son, a minor, to prison, apparently without a public trial. She was chased off by the police.

'It's incredible to us that normal people are given this responsibility, to vote their conscience, to decide what's right and wrong.'

As is often the case with these exchanges, everybody learns a little about everyone else. In the criminal case, for example, equipped with the same facts, a three-judge German panel convicted a man of bank robbery. An American-style jury of 12, with a prominent Filipino journalist, American students and a woman who had served as the foreman on a double murder trial in Oakland, California, acquitted him.

Many Chinese in the audience, noting that their judicial system is closer in form to Germany's in its reliance on judges, expressed amazement at the American jury system and its dependence on common citizens to determine guilt.

"We've grown up with the idea that experts have to decide everything for us," said Li Guoru, 27, a doctoral-law candidate at Beijing University. "To see the jury deliberate this case was really amazing. It's incredible to us that normal people are given this responsibility, to vote their conscience, to decide what's right and wrong."

Mr. Li and others also expressed wonder at the ban in the U.S. system on illegal searches. In the American criminal case, a police officer, finding one of the alleged bank robbers at a bus station, searches him and finds a gun and betting slips.

The gun was entered as evidence, but the betting slips were thrown out by the judge.

The American cast of characters seems to have walked straight out of a television serial. Terence MacCarthy is the gruff executive director of the Federal Defender Program in northern Illinois.

He played the public defender, tossing out such lines as "Where's the beef?" and "My client is guilty. Guilty of being stupid," to a somewhat uncomprehending Chinese audience.

As the prosecutor, there was Ralph Martin, a Republican district attorney from Suffolk County, Massachusetts.

Mr. Martin recently achieved prominence when his office indicted the Phi Gamma Delta fraternity at Massachusetts Institute of Technology for manslaughter in the drinking death of a college freshman, Scott Krueger. Mr. Martin had the time to make the trip to China because he is running unopposed for re-election.

"The purpose of this is to show that the rule of law protects everybody," Mr. Martin said. "As their legal system develops, the Chinese will not just focus on punishment, they will have to begin focusing on protecting rights."

Sometimes during the weeklong seminar, it appeared that the two sides were talking past each other. In a question period following the American moot court, a Chinese jurist asked Mr. MacCarthy a simple question: If you are too conscientious in defending your client, will the police give you any trouble?

Mr. MacCarthy and the other Americans did not seem to understand the point of the question; in China, the police have been known to threaten defense lawyers with jail or beatings.

The Americans seemed more optimistic about recent talk of legal reform than their Chinese colleagues.

Wendy Locks, an American lawyer who is studying China's legal system at Beijing University, listed a series of changes to China's criminal codes. One mandates that suspects have a right to see a lawyer. Another protects suspects against torture. A third mandates that prosecutors show suspects a card detailing their rights. "They're trying, they're beginning," Ms. Locks said. "It's all new."

A Chinese legal scholar, listening to Ms. Locks, remarked softly: "They still can do anything they want."

China Legislature Removes Top Corruption Prosecutors

Director and No. 2 Reportedly 'Violated Discipline'

Reuters

BEIJING — The Chinese national legislature dismissed the country's top two anti-corruption prosecutors Wednesday, the Xinhua press agency said, highlighting an aggressive effort to bolster Communist rule by eliminating graft.

Luo Ji and Huang Lizhi were stripped of their posts as director and deputy director of the anti-corruption bureau of the Supreme People's Procuratorate because they had "violated discipline and are not suited to be prosecutors," Xinhua said. The press agency provided no details of their violations and did not say whether Mr. Luo and Mr. Huang would be charged with any crime.

President Jiang Zemin has acknowledged that rampant corruption threatens the power and prestige of the Communist Party and has described a nationwide anti-graft drive that began in the mid-1990s as a "life and death struggle."

The prosecutors were the most senior officials to be purged since the arrest and conviction on graft charges of the former Beijing mayor, Chen Xitong. Mr. Chen was sentenced in July to 16 years in prison.

Xinhua said the procurator-general, Han Zhubin, had recommended the dismissal of Mr. Luo and Mr. Huang.

Mr. Luo has been a high-profile figure, most famously weeping on national television two years ago as he described his frustrations in trying to battle corruption with inadequate resources.

In a television interview, Mr. Luo also asserted that unspecified interference had prevented his office from pursuing cases even when there was strong evidence.

President Jiang extended the scope of the campaign in July, ordering the army and armed police to give up their commercial empire, long seen as a hotbed of smuggling. In August, the Supreme Court ordered all courts to "make cleaning up business activities their most serious duties."

A common complaint in business circles is that corrupt police, prosecutors and courts work together to ensure that companies run by relatives or cohorts prevail in business disputes and evade punishment for breaking laws. More than 750 prosecutors have been targeted in the graft crackdown.

■ Dalai Lama's Offer on Sovereignty

The Dalai Lama, starting a key visit to the United States starting Wednesday, is willing to acknowledge that Tibet and Taiwan are parts of China, Agence France-Presse reported from Bonn, based on a weekly's interview with a senior aide to the Tibetan spiritual leader.

"Tibet, like Taiwan, is a part of China," the Dalai Lama's private secretary, Kelsang Gyaltsen, was quoted Wednesday as telling Die Woche. The interview was to be published by Die Woche on Thursday.

But this acknowledgment of China's sovereignty is linked to demands that the Chinese government hold "unofficial consultations" with the Dalai Lama, the secretary said.

Upali Attanayake/Agence France-Presse

Ziela Jalil, who is said to have passed on a letter about Mr. Anwar, arriving in court.

Anwar in Cover-Up, Official Says

Politician Tried to Intimidate Witnesses, Investigator Testifies

The Associated Press

KUALA LUMPUR — The ousted deputy prime minister of Malaysia asked police to intimidate witnesses in an investigation against him, a retired intelligence chief testified Wednesday. The trial of the politician, Anwar Ibrahim, on charges of corruption and sexual misconduct entered its third day with prosecutors trying to prove that Mr. Anwar used his influence as deputy prime minister and finance minister to hide sexual misdeeds.

Mr. Anwar, 51, denies the charges and says they were fabricated because Prime Minister Mahathir bin Mohamad considered him a threat to his 17-year rule.

Mr. Anwar remains popular, and armed riot police guarded the street outside the courthouse Wednesday in case of trouble. A water cannon truck was parked nearby.

As the trial continued, Mohamed Said Awang, former chief of the special branch, the government's top police intelligence unit, told the court that Mr. Anwar had ordered him to arrest two people who had made allegations against Mr. Anwar.

On Tuesday, Mr. Mohamed Said said the special branch had begun an investigation into sexual misconduct by Mr. Anwar in 1992, a year before he was named to his cabinet posts. In August 1997, the investigation turned serious, with two statements accusing Mr. Anwar of adultery and sodomy.

One statement, by Mr. Anwar's personal driver, Azizan Abu Bakar, said Mr. Anwar sodomized him 15 times. The other, by Ummi Hafilda Ali, the sister of Anwar's private secretary, said her brother's wife had had sex with Mr. Anwar.

Mr. Azizan and Mrs. Ummi were detained and questioned, Mr. Mohamed Said said, adding that Mr. Anwar demanded written retractions from them. Mr. Mohamed Said said he secured the retractions and forwarded them to Mr. Mahathir.

Mr. Anwar scribbled furiously on a legal pad during Wednesday's hearing.

Defense lawyers were expected to argue that the charges against Mr. Anwar were based on flimsy poison-pen letters and part of a government conspiracy against him.

Mr. Mahathir dismissed Mr. Anwar on Sept. 2, saying he was morally unfit to be his heir apparent as leader of Malaysia.

The case gained additional drama after Mr. Anwar showed up at his arraignment Sept. 29 with a black eye and bruises. He contended that police beat him after his arrest, though Mr. Mahathir suggested that the wounds might have been self-inflicted.

Tens of thousands of Malaysians have expressed solidarity with Mr. Anwar, participating in street protests since his arrest Sept. 20. One of those demonstrations turned into a riot two weeks ago when police fired tear gas and water cannon at stone-throwing protesters.

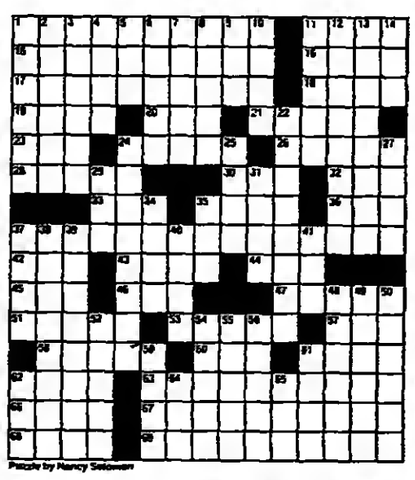
CROSSWORD

ACROSS

1 Sentimental
11 "Diary of —— Housewife"
15 With 37- and 67-Across, a question
16 Hootenanny sight
17 Swords, after conversion
18 Prime the pot
19 Bruise preventers
20 Big night
21 Council of "Today"
23 Pacific's counterpart in W.W. II: Abbr.
24 Detroit's Joe Louis Sports ——
26 Brings up
28 Tried to keep one's seat
30 Unsatisfying outcome
32 Bee chaser?
33 Noise of the lambs
35 Peak seen from the Ionian Sea
36 Well-kept secret, for some
37 See 15-Across
42 Sorority letter
43 Low islands
44 Common girl's middle name
45 See 57-Across
46 Otto I's realm: Abbr.
47 Not robust-looking
51 Wise guy
53 Graph measure
57 With 45-Across, try to get
58 Voting groups
60 Defunct sports org. since 1976
61 Amorous skunk Le Pew
62 It's a wrap
63 Sabotaged, in a way
66 While away the time
67 See 15-Across
68 Western tribe
69 Pilots must pass it

DOWN

1 Not a guzzler
2 Recently
3 Author Dostoyevsky
4 Pulls
5 Child carrier
6 Shade of yellow
7 "—— a dream": King
8 "Two Women" co-star, 1961
9 Scrape (out)
10 PC place
11 Let up
12 More than crazy
13 Bruce Wayne, to Batman
14 Singer Joey with the 60's Starliters
22 Three before seven
24 Lawless
25 "—— way!" ("You go, girl!")
27 Student of palms
29 Aladdin's monkey
31 Like the U.N.
34 Way off
35 Signals to speak up
37 Pound sounds
38 Hot-dog
39 Give a sermon
40 Some electrical junctions
41 Old comic "Out Way"
48 Means
49 Driver's switch
50 "You bother!"
52 Double agents
54 Dockworker
55 Having a lot to lose
59 Seine city
59 Brewski
61 British P.M., 1783-1801
62 Asian ——
64 Excluding
65 High points: Abbr.



Puzzle by Nancy Salomon

© New York Times/Edited by Will Shortz

Solution to Puzzle of Nov. 4

K	C	J	O	N	E	S		P	E	R		K	I	L
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D	O	G	T	R	D	T		T	D	W	E	R	E	D
		A	M	S		J	C	P	E	N	N	E	Y	
S	O	A	P		B	E	H	E	S	T				
E	C	B	E	N	T	L	E	Y		T	O	N	I	C
N	U	B		C	O	U	P			R	O	N	A	
E	L	O		O	W	E		S	P	A		S	T	R
C	U	T	S			S	K	I	D		I	O	U	
A	S	S	E	T		V	C	A	N	D	R	E	W	S
		R	E	S	E	A	T			A	R	N	O	
M	C	H	A	M	M	E	R		B	A	T			
C	R	O	P	P	E	R		M	A	N	I	P	L	E
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China Wants TV In Every Village

Reuters

SHANGHAI — China plans to beam television into every village by the end of the century, a senior official said Wednesday.

Television covers 88 percent of China's 1.2 billion people, but does not yet reach many poor and remote rural areas, said Tian Congming, head of the State Administration of Radio, Film and Television.

"Positive steps are being taken to ensure that we reach the goal of every village having access to radio and television broadcasts by the end of the century," Mr. Tian told a broadcast industry meeting.

China had 923 television stations at the end of last year. It had 1,363 radio stations, serving 86 percent of the population, the official said.

BRIEFLY

Hong Kong Lawmakers Refuse Motion of Support for Leader

HONG KONG — In a showdown with Hong Kong's chief executive, Tung Chee-hwa, and his administration, lawmakers voted Wednesday to withhold support for his plans for governing Hong Kong.

Pro-democracy lawmakers succeeded in blocking a traditional motion of thanks for Mr. Tung's annual policy address, delivered last month, which outlines his governing strategy for the next 12 months.

In debates last month on the motion, Mr. Tung came under fire for not doing enough to stimulate Hong Kong's sagging economy and to help the unemployed. *(AP)*

Vietnam Finds No Corruption Among High-Level Officials

HANOI — Vietnam probed recent allegations of corruption against senior officials, including a member of the Communist Party Politburo, but found no wrongdoing, the country's top anti-graft officer said.

In rare comments about high-level graft, Vietnam's inspector-general of state, Ta Huu Thanh, said corruption was a problem among lower-level officials but that no senior government members were tainted.

Mr. Thanh, speaking in an interview Tuesday, also said government officials had a Dec. 31 deadline to comply with a decree that requires them to declare their personal assets above 50 million dong ($3,600). *(Reuters)*

North Korean Athlete Defects To South Through 3d Country

SEOUL — A North Korean athlete defected to South Korea after seeking political asylum from a third country, a senior official at the Foreign Affairs and Trade Ministry here said Wednesday.

He said the athlete, Kim Myong Sop, 23, had been on the run for about a year before finally seeking asylum at a South Korean Embassy in an unnamed third country.

"All we can reveal at the moment is that he is a North Korean athlete and he sought asylum in a third country, which we can't name for diplomatic and security reasons," the official said. *(AFP)*

2 Pakistanis Killed in Clash On a Glacier, India Reports

SRINAGAR, India — Two Pakistani soldiers were killed by Indian troops in separate clashes as their units attacked Indian outposts on a glacier high in the Himalayas, a defense spokesman said Wednesday.

Major P. Purushottam said the Pakistanis fired mortar shells and tried to dig into Indian territory at the northern and southern ends of the Siachen glacier Tuesday.

The clash on Siachen came two days before Indian and Pakistani officials were scheduled to meet in New Delhi for another round of peace talks.

The spokesman claimed it was the seventh Pakistani attack on Siachen in 15 days. There was no immediate comment from Pakistan. *(AP)*

For the Record

Chinese couples will find it easier to adopt children under a revised adoption law approved by the legislature Wednesday, state media reported. The revised law reduces the age of prospective Chinese parents from 35 to 30 years, drops a restriction that couples be childless and allows for multiple adoptions, the Xinhua press agency reported. *(AP)*

John McConnico/The Associated Press

THEY'D WALK A MILE — Camel traders gathering in Pushkar, India, for the world's largest camel fair — 30,000 animals for sale or barter.

EUROPE

Stronger Family Life At Heart of Blair Plan

But Program Is Controversial in a Britain Pondering Both Privacy and Sex Scandals

By Tom Buerkle
International Herald Tribune

LONDON — First came the resignation in murky circumstances of a British cabinet minister who was robbed after a nighttime walk in a known cruising area for gay sex.

Then followed, during a television interview, the surprise outing of a key cabinet colleague of Prime Minister Tony Blair as supposedly gay.

These incidents during the last week have revealed a Britain struggling to define the boundary between private lives and public policy, so much so that many commentators have suggested that Britons have a lot to learn from American public reaction to President Bill Clinton's sex troubles.

Mr. Blair's government waded deeper into the debate on Wednesday by publishing a raft of controversial proposals for strengthening family life. The proposals range from supporting pro-family tax and benefit policies to offering more help and advice to prospective marriage partners and parents, and attempting to mitigate the damage to children when families break down.

The proposals reflect the deep belief of Mr. Blair and his home secretary, Jack Straw, that family stability holds the key to resolving a whole range of social ills, including low educational achievement, crime and poverty.

"A strong Britain will be built on strong families," Mr. Blair said in an article in The Express newspaper Wednesday.

But the proposals were criticized as intrusive and counterproductive by the opposition Conservative Party. The plans would turn neighborhood health visitors and town hall registrars into "secular vicars" by having them offer counseling on marriage and parental problems, said Peter Lilley, the party's spokesman for home affairs.

Even some Labour Party members expressed strong reservations with the proposals and warned that the government could live to regret meddling with morality.

Diana Abbott, a Labour member of Parliament, said it was futile for the government to try to arrest the long-term decline of marriage and the growing number of single-parent families, gay couples and other nontraditional households. Currently, one in three Britons is born out of wedlock, and as many as one marriage in two ends in divorce.

Ms. Abbott also worried that the proposals would leave the government open to muckraking and charges of hypocrisy. "By playing with the Moral Majority agenda, they run the risk that every single personal sex scandal is going to be blown out of proportion," she said.

That danger has been rammed home by the voluminous tabloid coverage of Ron Davies, who resigned as minister for Wales last week after an as-yet undefined incident in a South London park. Mr. Blair is aware of the risk, urging the media last month not to use the family issue "as an excuse to dredge through the private lives of every public figure."

Still, the government's difficulties in presenting its proposals on Wednesday suggested that it would struggle to encourage family stability without appearing to judge alternative lifestyles and pry into people's private lives.

"It's not my business to tell people how to run their lives," Mr. Straw said in making the proposals public Wednesday. But Mr. Straw, who was raised by a single mother and has been through a divorce of his own, said evidence shows that children from stable, two-parent families tend to prosper more than those from troubled families.

The proposals were originally scheduled to be unveiled last week, but the government delayed publication because of the controversy surrounding Mr. Davies's resignation.

That controversy showed little sign of dying, largely because of Mr. Davies's refusal to explain what he was doing in the park. Six persons have been arrested in the robbery case and newspapers have reported that the police are investigating allegations that the suspects tried to blackmail Mr. Davies after he sought sex.

In the aftermath of the resignation, a journalist said during a BBC television interview that Peter Mandelson, the minister for trade and industry and one of Mr. Blair's closest advisers, was gay.

The incident caused a stir when BBC managers banned any discussion of Mr. Mandelson's private life on its airwaves, raising cries of censorship from politicians and BBC journalists.

Anja Niedringhaus/Agence France-Presse

FACES OF HUNGER — Ethnic Albanian refugees waiting to receive food handouts Wednesday provided by humanitarian organizations outside a makeshift warehouse in Pristina, the capital of Kosovo. Thousands of displaced people have gathered in the city.

Kurd Seeks Asylum in Russia

Compiled by Our Staff From Dispatches

MOSCOW — Turkey's most wanted man, the Kurdish separatist leader Abdullah Ocalan, asked Russia for political asylum Wednesday, and the lower house of Parliament urged President Boris Yeltsin to grant the request.

In a move sure to annoy Turkey and strain improving ties between the historical foes, the State Duma overwhelmingly backed an appeal calling for Mr. Ocalan's admission to Russia and sharply criticizing Ankara's policy toward the Kurds.

Mr. Ocalan, leader of the Kurdistan Workers Party, a guerrilla group fighting for self-rule in southeast Turkey, has reportedly been on the run since Turkey put pressure on Syria last month to expel him. Damascus denies that it sheltered Mr. Ocalan.

Though Mr. Ocalan's whereabouts are unclear, Turkey asked Russia last week to extradite him, saying he left Syria for Russia. Russian officials have refused to confirm that he is in the country.

In Ankara, Prime Minister Mesut Yilmaz responded to the Duma vote by saying that Turkey would respond only to official Russian government communications. Mr. Yilmaz added that Turkey had received a statement from the Russian government, stating that Russia would not allow Mr. Ocalan to find refuge.

Ankara says Mr. Ocalan, also known as "Apo," has been hiding in a Moscow suburb since fleeing Syria, but Russian security forces say they have failed to find him.

In a signed appeal to the Duma, Mr. Ocalan suggested that he had not been in the Russian capital but gave no hint about his whereabouts.

"I have always wanted and now want to come to Moscow," he said. "In the past year our side has worked intensively to bring about such a visit. But because of the complicated situation in our region I have had to take an urgent decision to move.

"In this complex situation I wish to link my fate with my allies and am therefore officially asking that you grant me political asylum in the Russian Federation."

The Duma, dominated by Mr. Yeltsin's Communist and nationalist opponents, backed the appeal to the president to grant Mr. Ocalan asylum by 298 votes, with none against and one abstention. Mr. Yeltsin is under no obligation to grant the request.

"Ocalan is not demanding the breakup of Turkey and has called three times for an end to fighting," said Yuri Nikiforyenko, a Communist deputy who sponsored the appeal to Mr. Yeltsin. *(AP, Reuters)*

BRIEFLY

Gay Issue Ignites French Assembly

PARIS — The National Assembly, after a stormy debate lasting into the early hours Wednesday, rejected a conservative effort to scrap legislation that is intended to improve the lot of gay and other unmarried couples.

The bill to establish a so-called Civil Solidarity Pact was maintained in a 299-to-233 vote. Christine Boutin, a member of the center-right Union for French Democracy, spoke against it for more than five hours, and rightists and leftists nearly came to blows.

Opponents say the legislation could open the way to gay marriages and adoption of children by homosexual couples. *(Reuters)*

Pause in Russia Food-Aid Talks

MOSCOW — The United States is offering Russia food aid to see the country through the winter, but both sides are mulling over the terms, officials said Wednesday.

A delegation from the U.S. Agriculture Department has been in Moscow this week to discuss the aid package. U.S. officials confirmed that the two sides were still in contact Wednesday and that more discussions were expected.

The office of Deputy Prime Minister Gennadi Kulik, who heads the Russian delegation in the talks, said the Americans had asked for a "time-out." *(AP)*

Vets Back End to U.K. Beef Ban

BRUSSELS — A majority of European Union veterinary officials backed the easing of a ban on British beef exports on Wednesday, signaling the end of a crippling embargo that was imposed in 1996 over "mad cow" disease.

EU officials said that the vote was eight to five in favor of ending the ban, with two abstentions. France, Germany, Spain, Italy and Austria favored maintaining the ban. Luxembourg and the Netherlands abstained.

The decision will now be up to EU agriculture ministers. If, as is seen likely, they duplicate the vote by veterinary officials, the ban will be lifted, perhaps by early next year. *(Reuters)*

For the Record

Taking a new step in the investigation into the death of Diana, Princess of Wales, prosecutors in Paris opened an inquiry Wednesday based on a lawsuit by her former bodyguard, Trevor Rees-Jones, who asserts that his life was put in danger by the Ritz Hotel and its car service. *(AP)*

BOOKS

THE SHAMEFUL LIFE OF SALVADOR DALI

By Ian Gibson. 798 pages. $45. Norton.

Reviewed by Dore Ashton

IN THIS exhaustive account of what Ian Gibson calls the "shameful" life of Salvador Dali, the Catalan maestro moves ineluctably from mischief to malice, from shameful to shameless.

Ian Gibson, who wrote a masterly biography of Dali's boyhood friend, the poet Federico Garcia Lorca, shows great forbearance as he documents every moment of Dali's life, but finally he cannot spare us the tedium to which Dali subjects us as he fashions and refashions his obsessions. It could not have been easy for a biographer to find a way to deal fairly with this significant figure in 20th-century art history when Dali did everything possible in his mature years to tarnish his own name.

Gibson introduces the term shame early in this lengthy book, explaining that Dali himself, in his fabulating autobiography, hinted that fear of blushing (ereutophobia) and "his shame about being ashamed were major components in fashioning his personality." It is not until page 566 that Gibson returns to the shame motif, generously suggesting that behind the exhibitionist exterior, Dali was "still the morbidly timid little boy who lost face the moment he suddenly felt exposed." Maybe so, but it takes a prolonged suspension of disbelief to accept this interpretation of an artist whose dozen years of astonishing invention are overwhelmed by many years of tawdry maneuvers.

Long a resident of Spain, the author opens with a splendid description of Catalonia and specifically the northeast region of the Emporda so important in Dali's formation. The young Dali's response to the fantastic rock formations of the beaches and the wild north winds that drove the denizens of Cadaques and neighboring villages into peculiar, half-mad conditions is wonderfully conjured. The painter's childhood as the pampered son of a notary, and his earliest obsessions, such as a morbid fear of locusts, are carefully documented, as the author tries to account for the aberrations of Dali's adult life.

Dali's conviction of his own genius was born early and seems never to have abandoned him.

Once Dali was liberated from his provincial schooling and came to Madrid as a student in the Royal Academy of San Fernando, the story sparkles with important encounters, descriptions of the intellectual life of Madrid and of the unusual dormitory where Dali encountered the two older figures who would so much affect his development, Luis Bunuel and Federico Garcia Lorca. He discovered Freud, entomology (briefly Bunuel's field of study), Spanish folklore through Lorca, *tertulias* (literary groups) in favored cafés, and no doubt the writings of the leading Surrealist, Andre Breton, that would rapidly transform his life as a painter.

In 1926, at the age of 22, Dali made his first trip to Paris, where in a hectic week he took in everything and most probably had his first direct encounter with Surrealist painting. Three years after his first exhilarating sally into the heart of the European art world, Dali was back, this time collaborating with Bunuel on the first and still the most Surrealist of films, "Uo Chien Andalou," and a year later, the riot-producing "L'Age d'Or."

From then on, until the beginning of the Spanish Civil War, Dali's antics as one of Breton's most favored Surrealist propagandists gained him the reputation he had so ardently desired as a painter of scandalous subjects — "The Great Masturbator" in 1930; the versions of soft watches and of the profanation of the host, among others — and a producer of public scenes. He transported his persona and works to New York soon after his initial Parisian debut; there his Freudian orthodoxy went over very well, and his increasingly suspect political opinions seemed not to matter. They did, however, matter to his Surrealist colleagues, who noted that his "paranoic-critical method" incorporated suspiciously admiring references to Hitler. It would not be long before Dali's support for Franco became intolerable and he was drummed out of the cenacle.

From that moment on, Dali's story becomes increasingly distasteful, as he and Gala, Paul Eluard's witch of a wife who became Dali's accomplice in his lust for attention and money, enter a life of glittering but singularly empty wanderings among what can only be called degenerates and petty crooks. Dali and Gala become the protagonists of a sordid story of artistic frauds, deceitful and disloyal relationships, and eventually a decline.

The last straw for Dali's former Surrealist supporters occurred after the war, when the aging showman and his wife paid a visit to the Pope, prompting Breton to write his famous footnote: "The first Dali disappeared toward 1935 to give way to the personality better known as Avida Dollars, a painter of society portraits who had recently embraced the Catholic faith and 'the artistic ideal of the Renaissance' and who now benefits from the felicitations and encouragement of the pope."

Gibson sadly accepts Breton's judgment, and his book ends with the artist's horrible last years as a prisoner of Gala and various manipulators, and a man who had lavishly squandered his undeniable talents as a painter.

Dore Ashton, the author of numerous books on modern art, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

THERE are two dramatic defensive maneuvers that are superficially similar but have quite different objectives. Both call for the lead of an unsupported honor, usually a king.

One is the Deschapelles Coup, named for a great French whist player. Its purpose is to establish an entry to partner's hand. The other is the Merrimac Coup, aimed at removing a vital entry from the declarer's hand or the dummy.

Executing both coups simultaneously may be unique. It was achieved on the diagramed deal from the Generali World Masters championship by Geir Helgemo of Norway.

He held the East cards, defending a contract of four diamonds. It can be seen that South is due to lose a trick in each side suit, and the result will hinge on whether he can pick up the trumps by leading the queen from the dummy and, when this is covered, later finessing against the nine. This appears to need two entries to the dummy, and they are in short supply.

A spade lead was won with the ace, and a spade was returned. East won, and reached the moment of truth. Leading a low heart does no good, whether or not East cashes the club ace, for South wins the queen with the ace and leads the diamond queen. This is covered, but after taking the ace he leads a heart and endplays East.

At another table East was on the right track by returning the heart king. South won with the ace and led the diamond queen, collecting the king, ace and jack. Now he should have led a heart, after which he could not have been prevented from picking up East's trumps. Instead he led a club, and East was able to win, lead a heart, and score a club ruff.

Helgemo found the perfect solution, to which there was no counter. After winning the second trick, he cashed the club ace and led the heart king. It would have done South no good to duck; for another heart would have been led. He took the ace, and East had succeeded in simultaneously removing the entry from dummy and establishing an entry to his partner's hand.

South duly led the diamond queen, covered with the king and ace, removing the jack. He tried to enter dummy with a club lead, but Helgemo ruffed to defeat the contract. Which leaves the question: Was this a Merripelles Coup or a Deschamac?

NORTH
♠ J 6
♡ A J 10 8 3
♢ Q 6 2
♣ K J 5

WEST
♠ 5 4 3 2
♡ Q 5
♢ J
♣ 10 9 7 5 3 2

EAST (D)
♠ K Q 10 8 7
♡ K 9 6 2
♢ K 9 7
♣ A

SOUTH
♠ A 9
♡ 7 4
♢ A 10 8 5 4 3
♣ Q 6 4

East and West are vulnerable. The bidding:

East	South	West	North
1 ♠	2 ♢	Pass	2 ♡
Pass	3 ♢	2 ♠	4 ♢
Pass	Pass	Pass	

West led the spade two.

ELECTION '98 / *For Democrats, a New Lease on Life*

Victoria Arocho/The Associated Press

Jazz Hill of the Viejas Indians leading applause over approval of continued tribal control over casinos.

In Referendums, Americans Push Government Back

The Associated Press

NEW YORK — Americans have spoken out on the basics: life, death and taxes.

And their message to the government is simple — leave us alone.

Voters casting ballots Tuesday on 235 statewide initiatives said they did not want the government to intrude in their lives, whether to limit abortions, deny medicinal marijuana to the seriously ill, or tell people where they could gamble.

Some also said "no" to one of the most divisive political issues of the '90s: affirmative action. Washington state, following a similar move by California two years ago, approved a measure to ban racial or sex preferences in government hiring and contracts and college admissions.

"They are clearly saying, 'We want to treat everybody equally,' " said Ward Connerly, the California business leader whose organization spearheaded passage of that state's measure and helped plan and finance the Washington effort.

John Carlson, the conservative political commentator who led the campaign, said voters wanted to "look beyond what makes us different."

Election Day also brought big victories to a group whose previous election gains were stalled in courts: supporters of medical marijuana.

Voters in Alaska, Arizona, Nevada and Washington state approved the medical use of marijuana, which advocates say can help ease pain and nausea.

Nevada passed a constitutional amendment approving its use pending a second "yes" vote in 2000. Washington's endorsement came a year after voters vetoed a broader plan that some say would have left the door open to legalizing other drugs.

"We worked hard," said Rob Killian, the Seattle physician who sponsored the Washington measure, "to bring back a very tightly worded, specific medical marijuana initiative. It's a model for the rest of the country."

Arizona voters reaffirmed their 1996 approval of a plan that makes legal the prescribing of medical marijuana and some other illegal drugs for seriously ill patients.

The Alaskan measure will shield users from most state and locals laws that forbid possession while protecting doctors who recommend its use.

In Oregon, where two-thirds of people vote by absentee ballot, early returns indicated medical marijuana would pass there, too, but the vote on a similar initiative in Washington, D.C., remained unknown. Election officials opted to keep results under cover because Congress, which controls the capital's budget, opposes legalization and cut funding for the initiative after it appeared on the ballot.

Gambling supporters also were dealt a winning hand on Election Day.

Indian tribes in California won broad voter approval to continue running their casinos unhampered by state control. This marks "the first time that wealthy business interests have not been allowed to sacrifice the lives of Indians and future Indians to satisfy their greed," said Anthony Pico, chairman of the Viejas tribe in San Diego County.

Missouri voters approved lucrative slot machines on the so-called boats in moats. At issue was a 1997 state Supreme Court decision that the Missouri constitution did not permit slots on the boats, which are tethered in manmade lagoons, and that such games of chance could be played only on the main channels of the Missouri and Mississippi rivers.

Hunting and animal rights activists could both call themselves winners.

Cockfights were banned in Missouri and Arizona. California approved a ban on body-gripping steel traps to capture fur-bearing animals and outlawed the sale or export of horses intended to be slaughtered for human consumption.

But Alaskans rejected a ban on wolf snares, Ohioans turned back a ban on the hunting of mourning doves and Minnesota became only the second state in the nation to pass constitutional protections for hunting and fishing.

Voters also dealt with two issues that have constantly been in the courts — abortion and the right to die.

Washington and Colorado rejected proposals to restrict the late-term procedure known by opponents as "partial-birth abortions," but Colorado approved parental notification for minors seeking abortions.

Michigan, meanwhile, rejected a plan that would have made the state — home to Dr. Jack Kevorkian — the second in the nation with legalized physician-assisted suicide. Oregon remains the only state where doctors can prescribe lethal doses.

Gay rights advocates suffered setbacks from the voters. Hawaii moved closer to banning same-sex marriage, giving state lawmakers the go-ahead to write a prohibitive law. Alaskans voted a gay-marriage ban into their constitution.

South Carolina, meanwhile, erased the state's 103-year-old constitutional ban on interracial marriage.

Taxes figured prominently in several states.

South Dakotans rejected a plan to prevent property tax revenues from financing schools, Nebraskans vetoed a proposal to limit the amount of money state and local governments could raise through taxes, and Coloradans said "no" to income-tax credit for parents of school-age children, whether in public or private school or taught at home.

Massachusetts and Arizona agreed to give political candidates substantial public money if they voluntarily limit their spending and raise certain small contributions.

The Denver Broncos will get a new football stadium. The San Diego Padres will get a new ballpark. And Cincinnati voters removed an obstacle to a new stadium.

And Iowa and Florida became the first states in 22 years to pass measures acknowledging women's equality, while New Hampshire retained all male pronouns in its constitution — despite having a female governor.

Europeans Hail Result as Reprieve for President

By Barry James
International Herald Tribune

BRUSSELS — International commentators hailed President Bill Clinton's political reprieve Wednesday, saying that gains by Democrats in the U.S. elections would enable the president to put the Monica Lewinsky scandal behind him and get on with world business.

Foreign Minister Hubert Vedrine of France said the outcome of the vote would strengthen Mr. Clinton's hand in foreign affairs and assure continuity in Washington.

"Clinton's mandate runs for another two years and we can continue to work with a partner we know well," Mr. Vedrine said. "The situation is more predictable than it would have been if there had been big changes in these elections. We know the foreign policy of President Clinton and Albright. We know what ground we're on."

Prime Minister Tony Blair of Britain, a strong supporter of the president, was quick to phone Mr. Clinton to congratulate him on the results, a spokesman said. "The result seems to show that provided political leaders focus on the things that matter to people, govern from the center and deliver, then their people stand by them," the spokesman added.

Gordon Adams, deputy director of the International Institute for Strategic Studies in London, said the result would strengthen Mr. Clinton's hand abroad. "Even under the cloud of impeachment and electoral uncertainty, he played a weak hand masterfully in recent weeks with the Israeli-Palestinian peace agreement, the Kosovo deal and obtaining extra funding for the International Monetary Fund from a reluctant Congress," Mr. Adams, a former White House official, told Reuters. "The big test now is what he does about Iraq."

Analysts said the result would enable Mr. Clinton to deal forcibly with President Saddam Hussein if the Iraqi leader continued to block United Nations arms inspectors.

Europeans, who are accustomed to turning a blind eye to the peccadilloes of their leaders, have watched the development of the Lewinsky scandal with bemusement, and several commentators said the fact that American voters had disregarded the affair showed political maturity and good sense.

Mr. Vedrine said the affair had seemed like a new form of McCarthyism, "a detestable development for all democracies that were watching what was happening."

"It is good that this type of attack and this type of campaign does not influence the voters," he said. "It is good for democracy in general."

Italy's La Repubblica said Mr. Clinton had been saved by the continuing success of the American economy and the loyalty of black voters in the big cities.

"William Jefferson Clinton can sleep more soundly, pardoned by the voters and probably also by Hillary, who for some time has measured her marriage by the standards of political power rather than by conjugal fidelity," La Repubblica said. "Like the first lady, the majority of the electorate has thought first of its own concrete interests" in voting for a continuation of present economic policies.

The Spanish monarchist daily ABC said the Lewinsky scandal was undoubtedly the reason why so many Americans abstained from voting.

ABC also said the relatively poor showing of the Republicans put the future of the House speaker, Newt Gingrich, in some doubt.

"He could be on his way in the back benches," said London's Daily Telegraph, adding that the election bodes ill for Mr. Gingrich's plans to run for the presidency in 2000.

Several newspapers said the election results would put pressure on the Republicans to curtail the impeachment inquiry against Mr. Clinton, perhaps substituting it with a formal censure plus a fine.

The Brussels daily Le Soir said the victory of former President George Bush's sons in the Texas and Florida gubernatorial races marked the emergence of a "Republican Party with a human face" that had wrested the votes of blacks, Latinos and women from the Democrats.

The Republican Party, which was counting on Americans to sanction Mr. Clinton for his behavior in the Lewinsky affair, has suffered a political defeat, said the French daily Le Monde. Mr. Clinton "was able to convince his fellow citizens not to confuse his sexual extravagances, which belong to his private life, with the overall record of his presidency, which mitigated in his favor."

For President Bill Clinton, who has a history of comebacks from the political brink, there is an unmistakable sense of shifting atmospherics.

CLINTON: *President Seeks End to 'Partisanship'*

Continued from Page 1

same, 55-45, but in the House the Republicans lost 5 seats, giving them a total of 223 of the 435. With one race still undecided, Democrats had 210 seats won. There is one independent.

The Democrats' surprise gains in Tuesday's voting did not yield the 11 seats they needed to wrest control from the Republicans and put the issue of impeachment to rest for good.

Nonetheless, the Republicans, while savoring a few key victories, seemed thrown off balance by the overall result. And the leadership of Mr. Gingrich, the Georgia Republican, who had appeared to have a solid hold on the office of speaker, was being questioned in the aftermath of the election.

For Mr. Clinton, who has a history of comebacks from the political brink, there was an unmistakable sense of shifting atmospherics. Even if the Republican-controlled House of Representatives approves articles of impeachment against him, which now appears far less likely than a few weeks ago, Republicans lack the votes in the Senate to convict him.

Democrats were energized by the sense that they had scored a moral victory, defying the historic pattern of substantial losses for the party controlling the White House in the sixth year of a presidency.

Mr. Clinton refused to portray the results as a personal vindication. They were, he said, a vindication of "the general policy of putting progress before partisanship," and of "trying to find ways to bring people together rather than to divide them."

He announced that the administration would play host to a conference early next month on ways to rescue the Social Security system from insolvency in the next century. He had discussed the issue earlier with Vice President Al Gore and his top economic advisers.

"That will dominate the congressional agenda" for the year, said a senior adviser to Mr. Clinton, Paul Begala.

Mr. Clinton listed other legislative priorities as well, in most cases involving issues on which Democrats suffered setbacks this year: regulating health maintenance organizations to protect patients' rights, allocating federal money to build schools, increasing the minimum wage and passing campaign finance reform legislation.

He said he had spoken to both Democratic and Republican congressional leaders "to ask them to join us in this effort."

"We will only be able to do this if we reach across party lines," Mr. Clinton said. Tuesday's election "makes it clear that the American people expect us to do it."

Some Republicans, who said the party's candidates suffered because they lacked clear and compelling issues, said they would now try to regain momentum by pushing some of their biggest priorities, notably a tax cut.

Disarray among the Republican leadership, however, and a sense that voters rewarded candidates nationwide for their pragmatism and moderation, may aid the Democrats' cause.

But with the divided government and a lame-duck president, few bold initiatives are likely to emerge next year, analysts say, and even fewer in 2000, a presidential election year.

Some leading Republicans said they thought Mr. Gingrich's position as speaker was not in danger. But one of them, Representative John Linder of Georgia, predicted that there would be "some very stern conversations" between the party's rank-and-file and its leaders.

There were complaints about Republicans' eleventh-hour decision to spend millions of dollars on advertisements raising the Clinton sex scandal, a decision that Mr. Gingrich had endorsed.

Before Tuesday, the White House exuded caution about viewing the elections as a referendum on the impeachment question. For all Mr. Clinton's caution, White House advisers expressed an unmistakable sense of vindication.

"We've felt all along that the public wanted this wrapped up and did not want the president removed from office," one White House official said. "Nothing in the election counters that belief."

Even some of Mr. Clinton's more virulent critics acknowledged that momentum for impeachment would be lessened by Tuesday's results. "That may happen," with more members of the new Congress opposing impeachment, said Representative Bob Barr of Georgia.

No Republican, however, was heard to call for a short-circuiting of the impeachment process.

"They've got a job to do," Mr. Linder said of the Judiciary Committee. "They will go through the evidence they have and have hearings."

Democrats were mostly careful Wednesday not to be seen as lecturing to members of the Judiciary Committee, who will meet later this month to consider whether to bring articles of impeachment against Mr. Clinton. But they made it clear that the voters, in their minds, had called for an end to consideration of impeachment.

"Americans had a choice," Vice President Al Gore said. "The American people said, 'Get back to work on the people's business,' and that's what we're doing here."

He said he expected members of the committee to "take into account the message they received from the American people."

Mr. Linder said he thought his party had suffered from the lack of a "clear message" to voters.

Looking to the new Congress, he said that "if we do a bold tax bill early in the year, I think we'll get back on our feet."

Mr. Clinton had resisted Republican pressure for a substantial tax cut this year, saying he wanted to preserve the budget surplus to help keep the Social Security system from falling into insolvency.

Senate Majority Leader Trent Lott said, "We need to talk more as Republicans about our commitment to tax cuts and growth and local control of education."

COMFORT: *Strong Vote Against Impeachment*

Continued from Page 1

fair dismayed the White House last summer. "And the president is associated with the good times, so it will be hard to take him out, unless they can make a very strong case."

Good economic times benefited incumbents of both parties, but no one profited more than the Republican governors of major states such as New York, Pennsylvania, Michigan, Wisconsin and Texas. Governor George W. Bush of Texas not only rolled up more than two-thirds of the vote but also carried in his candidate for lieutenant governor, Rick Perry, which will give Mr. Bush the freedom to seek the presidential nomination in 2000, as many expect him to do.

Mr. Bush's younger brother, Jeb Bush, won the Florida governorship on his second try for the office, making it a banner evening for their father, former President George Bush.

Few other Republicans had much to smile about, however. As returns rolled in and it became evident that black and union voters had turned out in large numbers, the sigh of relief from Democrats was louder than the muted cheers Republicans mustered for scattered House and Senate pickups.

"Six weeks ago," said Senator Richard Durbin, Democrat of Illinois, "we closed the doors to the Democratic caucus and assigned seats in the lifeboats. Now, most of our people are back, and it looks like the Republicans have been tossed a hot stove on impeachment."

Representative David Dreier, Republican of California, the incoming chairman of the House Rules Committee and an ally of the House speaker, Newt Gingrich, Republican of Georgia, said Republicans would not drop the impeachment process but would speed it up.

"The process will begin in the Judiciary Committee next Monday," Mr. Dreier said, "but we understand people want us to move as expeditiously as possible. The message has come through loud and clear. No Republicans are going to want to drag this out."

Exit polls made it clear that Mr. Clinton's fate was not the overriding factor in the voting. Six out of 10 voters said they were sending no message on impeachment; 20 percent said they wanted to signal opposition to the president; 19 percent, to express their support.

But by using some of the final campaign advertising to publicize their intention to pursue the case against Mr. Clinton, Republicans appear to have inadvertently bolstered Democratic efforts to turn out African-American and Hispanic voters, the president's most loyal constituencies. Together, they cast 16 percent of the votes Tuesday, up from 12 percent in 1994.

Targeted efforts by labor unions to contact their members paid off even more dramatically. Union households supplied 22 percent of the votes, compared with 14 percent in 1994. Republicans saw their share of the union vote decline from 40 percent to 33 percent.

The defeats of Senator Alfonse D'Amato, Republican of New York, who held televised hearings on Whitewater, and Lauch Faircloth, Republican of North Carolina, a personal friend and political ally of the independent counsel, Kenneth Starr, were particularly sweet revenge for the White House.

'Six weeks ago we closed the doors to the Democratic caucus and assigned seats in the lifeboats. Now, most of our people are back, and it looks like the Republicans have been tossed a hot stove on impeachment.'

But for the longer term — and especially for Vice President Al Gore's hopes of succeeding Mr. Clinton in 2000 — nothing was more important than the easy victory of the California lieutenant governor Gray Davis, a Democrat, over the Republican state attorney general, Dan Lungren, for the governorship. The departing governor, Pete Wilson, a Republican, may try a second time for the Republican presidential nomination, but for now the state party that has regularly paced the national Republican Party in leadership seems out of gas.

Four of the last five Republican presidential victories were furnished by Californians, Richard Nixon and Ronald Reagan. The fifth came from Mr. Reagan's vice president, George Bush.

Conservatives had tabbed Mr. Lungren, an ally of Mr. Gingrich's in Mr. Lungren's years in Congress, as a future national standard bearer. But now, questions are being raised about whether the tough-on-crime, anti-abortion positions that Mr. Lungren espoused in his campaign had been fatal to his chances.

Ken Khachigian, who ran the California campaign for the 1996 Republican presidential nominee, Bob Dole, said:

"Some will say — and rightfully so — that there has to be some reasonableness in our rhetoric and some acknowledgment of the symbolic value of certain things. It doesn't mean we have to become mushy moderates."

"But we have work to do with Republican women, young people and Hispanics," Mr. Khachigian said.

While Mr. Gingrich told his Georgia constituents that Republicans had made history by apparently holding their House majority for three successive Congresses for the first time in three-quarters of a century, the California results raised questions about the capacity of the Republican Party to prevail in the next century, when more states will begin to acquire California's ethnic and racial diversity.

'It doesn't mean we have to become mushy moderates. But we have work to do with Republican women, young people and Hispanics.'

But Mr. Gingrich has more pressing problems. The continuing narrow margin of control leaves the speaker struggling to keep intact a majority that includes a vocal conservative faction that wants to see more of the "revolution" its members promised the country in 1994 and an opposing bloc of moderates who want their party to return to the middle of the road.

Before the returns came in, a House Republican leadership aide said, "Gaining 15 or 20 seats would make our life incredibly easier. It would allow us to push our agenda forward while some of our moderate members voted their own districts the other way."

Without that kind of pickup, a White House legislative strategist said, Republicans will probably continue to face the sort of internal splits that made it possible for Mr. Clinton to outmaneuver them in the end-of-the-session budget negotiations.

"It's a House problem, but it carries over to the Senate," the strategist said, "because the compromises Senate Republicans are willing to make are rejected by conservatives in the House.

"And in the end, we have to give them less than they could get from us if they were united."

Despite the fact that the House will vote first on any impeachment move, White House concerns focused mainly on the Senate elections.

If Republicans had gained five seats for a filibuster-proof 60 senators, the president's main line of defense against Republican legislation would have been breached.

Senator Dan Coats, Republican of Indiana, said early Tuesday evening, "Getting to 60 would make a huge psychological difference."

Instead, said Senator Robert Torricelli, Democrat of New Jersey, "If we lose no more than one seat net this year, we're in good shape to make Tom Daschle the majority leader in 2000." Mr. Daschle, Democrat of South Dakota, is now the Senate minority leader.

In the year 2000, Republicans must defend 19 Senate seats, the Democrats 14.

VOTE: *Republicans See House Majority Whittled Away and Democrats Capture Some Governorships*

Continued from Page 1

expected turnout among black voters. In South Carolina, Jim Hodges, a former Democratic state representative, ousted Governor David Beasley, a rising star in his party who was chairman of the Republican Governors Association. That state's Democratic senator, Ernest Hollings, turned back a vigorous challenge from Representative Bob Inglis, a Republican.

In Alabama, Lieutenant Governor Don Siegelman, a Democrat, toppled Governor Fob James, a Republican. And in a race to replace Governor Zell Miller of Georgia, a Democrat, Roy Barnes, a Democratic state legislator, defeated Guy Millner, a Republican businessman.

In Maryland, Governor Parris Glendening, a Democrat, fought off a tough challenge in a rematch with Ellen Sauerbrey. The Maryland contest was so competitive that Mr. Clinton, in his last political trip of the campaign, traveled to Baltimore on Sunday to implore Democrats to vote.

Still, the Republicans did pile up some important victory Tuesday. In Illinois, Peter Fitzgerald, a wealthy state senator, ousted Senator Carol Moseley-Braun, a Democrat.

Republicans also maintained their domination of governorships around the country. Jeb Bush, the younger son of former President George Bush, won the Florida governorship in his second try for the office, building something of a political dynasty.

His brother, Governor George Bush of Texas, was re-elected by a wide margin, solidifying his position as the early favorite among many in his party for the Republican presidential nomination in 2000. It was the first time in 24 years that a governor of either party had been re-elected to a consecutive term in Texas.

Other incumbent Republicans who were re-elected governors of major states, some of whom also have presidential ambitions, were George Pataki of New York, Tom Ridge of Pennsylvania, Tommy Thompson of Wisconsin and John Engler of Michigan.

Voters were hard-pressed to describe an overarching issue on which they based their vote. In interviews as they left their polling stations, voters cited many issues that moved them to vote.

It was a marked contrast to four years ago, when voters rebelled against incumbents and handed control of the House to Republicans for the first time in 40 years. Two years ago, Mr. Clinton was re-elected, and some voters said they were disturbed by what they viewed as the extremism of Representative Newt Gingrich, speaker of the House, and the new Republican majority.

Many races were so close that they were not decided until well past midnight. While Mr. Clinton's relationship with Monica Lewinsky was a subtext for the entire election season, voters leaving the polls said they were not particularly driven by the scandal one way or another.

Officials of both parties had been concerned about spotty turnout. In the end, fewer than four in 10 of adults of voting age went to the polls.

ADVERTISEMENT

A MESSAGE FROM THE CHRISTIANS OF EGYPT

The Christians of Egypt denounce the continuous attempts of hostile dark forces against Egypt that play on the religious sentiments of foreign communities outside Egypt.

These attempts are targeted to spread false claims of persecution against Copts in Egypt, while in reality Copts practice their religion freely in Egypt, they build their churches in spite of the bureaucracy. Copts and Muslims are very friendly towards one another, and are completely integrated socially. The presence of outstanding Copt-owned business groups and pillars of the society is evident proof.

If there are any minor issues related to the treatment of Copts in Egypt, they are due to individuals and can not be attributed to government policy. On the contrary, the government positively interferes in many of these issues.

The Copts of Egypt resent the outsiders' manipulation of a false cause under their name to disfigure the image of the people and government of Egypt before the international community.

This statement has been signed by more than 2000 from the most prominent writers, journalists, businessmen, lawyers, physicians, entertainers, performers, etc. ... of the Christians of Egypt.

- NABIL SAMUEL ABADIR
- EMILE ASAAD (Police)
- MAGHED ATEYA Chief Editorial Moussawer Magazine
- MONTASSER BELLAH
- HAIDI BESHARA
- AMIN FAHIM President of the Association of Upper Egypt for Education and Development
- RAGUE GHABBOUR
- RAGUE CHAFIK GHALY
- REV. HAFIK GRESH Pastor of the Episcopal Church
- NASSIF KAUZMAN
- RAMY LAKAH Businessman
- SHERIF FOUAD NAGUIB Surgeon
- NASR A. NASR General Supervisor Ministry of Education
- ADEL YOUSSEF RIAD Prof. Ain Shams Univ.
- MAKRAM RIAD Member of Parliament E.
- SAMY SAAD Businessman
- REV. ADIB SALAMA Director of Information and Public Relations of Coptic Evangelic Organization for Social Services
- NAGUIB SAWERESS Businessman
- HALA SEDKI Actress
- SARWAT ABDEL SHAHID Lawyer at Appeal Court

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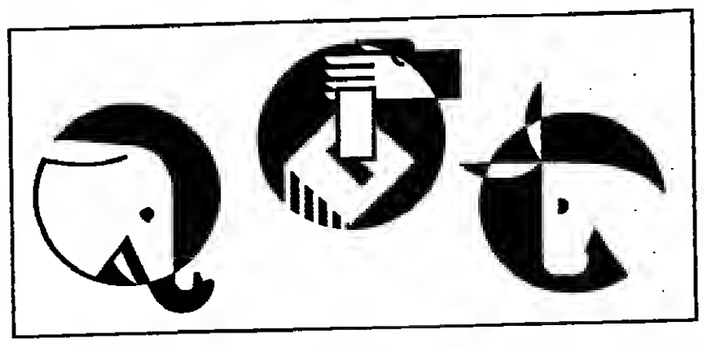
ELECTIONS '98 / *House of Representatives*

The Associated Press

Here are the latest returns in the 435 races for U.S. House. The winners are marked with an 'x'.



ALABAMA			
District 1			
x-Sonny Callahan	R (i)	Uncontested	
District 2 (100%)			
Joe Fondren	D	58,075	31
x-Terry Everett	R (i)	131,216	69
District 3 (99%)			
Joe Turnham	D	73,296	42
x-Bob Riley	R (i)	101,490	58
District 4 (100%)			
Don Bevill	D	82,045	44
x-Robert Aderholt	R (i)	106,277	56
District 5 (100%)			
x-Bud Cramer	D (i)	134,696	70
Gil Aust	R	58,507	30
District 6 (100%)			
Donna W.-Smalley	D	57,448	28
x-Spencer Bachus	R (i)	145,270	72
District 7			
x-Earl Hilliard	D (i)	Uncontested	
ALASKA			
At Large (97%)			
Jim Duncan	D	65,906	35
x-Don Young	R (i)	118,837	63
ARIZONA			
District 1 (99%)			
David Mendoza	D	47,282	36
x-Matt Salmon	R (i)	84,148	64
District 2 (99%)			
x-Ed Pastor	D (i)	48,131	67
Ed Barron	R	20,303	28
District 3 (96%)			
Stuart Starky	D	61,482	33
x-Bob Stump	R (i)	124,165	67
District 4 (100%)			
Eric Ehst	D	43,820	32
x-John Shadegg	R (i)	88,716	64
District 5 (100%)			
Tom Volgy	D	65,870	45
x-Jim Kolbe	R (i)	74,252	51
District 6 (100%)			
Steve Owens	D	81,944	45
x-J.D. Hayworth	R (i)	96,047	52
ARKANSAS			
District 1			
x-Marion Berry	D (i)	Uncontested	
District 2 (100%)			
x-Vic Snyder	D (i)	100,281	58
Phil Wyrick	R	72,749	42
District 3 (100%)			
x-Asa Hutchinson	R (i)	154,592	81
Ralph Forbes	Rp.	36,850	19
District 4 (99%)			
Judy Smith	D	68,139	42
x-Jay Dickey	R (i)	92,194	58
CALIFORNIA			
District 1 (100%) open			
x-Mike Thompson	D	110,099	62
Mark Luce	R	58,104	33
District 2 (98%)			
Roberts Braden	D	64,254	34
x-Wally Herger	R (i)	115,120	61
District 3 (100%) open			
Sandra Dunn	D	81,211	45
x-Douglas Ose	R	95,551	53
District 4 (100%)			
David Shapiro	D	76,071	35
x-John Doolittle	R (i)	136,946	62
District 5 (100%)			
x-Robert Matsui	D (i)	123,067	72
Robert Dinsmore	R	44,641	26
District 6 (100%)			
x-Lynn Woolsey	D (i)	144,998	58
Ken McAuliffe	R	63,481	26
District 7 (100%)			
x-George Miller	D (i)	117,423	77
Norman Reece	R	35,534	23
District 8 (100%)			
x-Nancy Pelosi	D (i)	119,583	86
David Martz	R	16,053	12
District 9 (100%)			
x-Barbara Lee	D (i)	126,232	83
Claiborne Sanders	R	19,978	13
District 10 (100%)			
x-Ellen Tauscher	D (i)	114,938	53
Charles Ball	R	94,200	44
District 11 (100%)			
Robert Figueroa	D	52,491	36
x-Richard Pombo	R (i)	88,307	61
District 12 (100%)			
x-Tom Lantos	D (i)	106,661	74
Robert Evans	R	30,094	21
District 13 (100%)			
x-Fortney Pete Stark	D (i)	91,911	71
James Goetz	R	34,496	27
District 14 (100%)			
x-Anna Eshoo	D (i)	111,973	69
John "Chris" Hangen	R	46,543	28
District 15 (100%)			
Dick Lane	D	61,018	38
x-Tom Campbell	R (i)	96,493	60
District 16 (100%)			
x-Zoe Lofgren	D (i)	73,689	73
Horace Thayn	R	23,737	23
District 17 (100%)			
x-Sam Farr	D (i)	91,687	64
Bill McCampbell	R	46,558	33
District 18 (100%)			
x-Gary Condit	D (i)	104,094	87
Linda Degroat	L	15,824	13
District 19 (100%)			
x-George Radanovich	R (i)	110,103	80
Jonathan Richter	L	28,266	20
District 20 (100%)			
x-Cal Dooley	D (i)	50,637	61
Cliff Unruh	R	32,596	39
District 21 (100%)			
x-Bill Thomas	R (i)	107,913	79
John Evans	Rp.	28,846	21
District 22 (100%)			
x-Lois Capps	D (i)	85,548	55
Tom Bordonaro	R	68,069	43
District 23 (100%)			
Daniel Gonzalez	D	53,641	40
x-Elton Gallegly	R (i)	79,420	60
District 24 (100%)			
x-Brad Sherman	D (i)	89,925	58
Randy Hoffman	R	58,842	38
District 25 (100%)			
x-Howard McKeon	R (i)	101,019	75
Bruce Acker	L	34,571	25
District 26 (100%)			
x-Howard Berman	D (i)	62,099	82
Maria Armoudian	Grn.	4,386	6
District 27 (100%)			
Barry Gordon	D	65,413	47
x-James Rogan	R (i)	70,210	50
District 28 (100%)			
Janice Nelson	D	55,626	39
x-David Dreier	R (i)	81,314	58
District 29 (100%)			
x-Henry Waxman	D (i)	116,213	74
Mike Gottlieb	R	34,871	22
District 30 (100%)			
x-Xavier Becerra	D (i)	52,358	82
Patricia Jean Parker	R	11,677	18
District 31 (100%)			
x-Matthew Martinez	D (i)	55,402	71
Frank Moreno	R	17,621	22
District 32 (100%)			
x-Julian Dixon	D (i)	100,291	87
Larry Ardito	R	12,881	11
Velko Milosevich	L	2,359	2
District 33 (100%)			
x-Lucille Roybal-Allard	D (i)	39,708	87
Wayne Miller	R	5,736	13
District 34 (100%) open			
x-Grace Napolitano	D	69,598	68
Edward Perez	R	29,252	28
District 35 (100%)			
x-Maxine Waters	D (i)	71,111	89
Gordon Mego	Amp.	8,344	11
District 36 (100%) open			
Janice Hahn	D	75,434	47
x-Steven Kuykendall	R	78,686	49
District 37 (100%)			
x-Juanita M-McDonald	D (i)	64,381	85
Saul Lankster	R	11,203	15
District 38 (100%)			
Peter Mathews	D	54,012	44
x-Steve Horn	R (i)	64,083	53
District 39 (99%)			
Cecy Groom	D	47,428	34
x-Ed Royce	R (i)	87,262	63
District 40 (100%)			
Robert Conaway	D	45,736	32
x-Jerry Lewis	R (i)	92,991	65
District 41 (98%) open			
Eileen Ansari	D	47,785	41
x-Gary Miller	R	61,725	53
District 42 (100%)			
x-George Brown	D (i)	59,297	55
Elia Pirozzi	R	43,091	40
District 43 (100%)			
Mike Rayburn	D	51,017	38
x-Ken Calvert	R (i)	74,226	55
District 44 (100%)			
Ralph Waite	D	52,872	36
x-Mary Bono	R (i)	88,079	60
District 45 (98%)			
Patricia Neal	D	52,421	38
x-Dana Rohrabacher	R (i)	81,680	58
District 46 (99%)			
x-Loretta Sanchez	D (i)	40,346	56
Robert Dornan	R	28,227	39
District 47 (98%)			
Christina Avalos	D	50,354	30
x-Christopher Cox	R (i)	114,45	6
District 48 (96%)			
x-Ron Packard	R (i)	114,022	77
Sharon Miles	Nlp	19,203	13
District 49 (100%)			
Christine Kehoe	D	72,510	46
x-Brian Bilbray	R (i)	76,566	49
District 50			
x-Bob Filner	D (i)	Uncontested	
District 51 (100%)			
Daniel Kripke	D	60,330	35
x-Randy Cunningham	R (i)	106,086	61
District 52 (100%)			
x-Duncan Hunter	R (i)	100,424	76
Lynn Badler	L	19,027	14
COLORADO			
District 1 (99%)			
x-Diana DeGette	D (i)	116,544	67
Nancy McClanahan	R	52,401	30
District 2 (100%) open			
x-Mark Udall	D	113,933	50
Bob Greenlee	R	108,379	47
District 3 (91%)			
Robert Kelley	D	69,090	31
x-Scott McInnis	R (i)	146,220	66
District 4 (94%)			
Susan Kirkpatrick	D	75,588	40
x-Robert Schaffer	R (i)	111,745	60
District 5 (99%)			
Ken Alford	D	55,275	26
x-Joel Hefley	R (i)	155,167	73
District 6 (98%) open			
Henry Strauss	D	85,614	43
x-Tom Tancredo	R	110,090	55
CONNECTICUT			
District 1 (98%) open			
x-John Larson	D	80,992	59
Kevin O'Connor	R	55,874	41
District 2 (92%)			
x-Sam Gejdenson	D (i)	90,000	61
Gary Koval	R	51,687	35
District 3 (98%)			
x-Rosa DeLauro	D (i)	107,999	71
Martin Reust	R	41,782	28
District 4 (98%)			
Jonathan Kantrowitz	D	40,047	31
x-Christopher Shays	R (i)	89,816	68
District 5 (93%)			
x-James Maloney	D (i)	70,409	50
Mark Nielsen	R	67,409	48
District 6 (95%)			
Charlotte Koskoff	D	57,816	38
x-Nancy Johnson	R (i)	89,051	59
DELAWARE			
At Large (100%)			
Dennis Williams	D	57,847	32
x-Michael Castle	R (i)	120,605	66
FLORIDA			
District 1			
x-Joe Scarborough	R (i)	Uncontested	
District 2			
x-Allen Boyd	D (i)	Uncontested	
District 3 (100%)			
x-Corrine Brown	D (i)	66,363	56
Bill Randall	R	53,075	44
District 4			
x-Tillie Fowler	R (i)	Uncontested	
District 5 (100%)			
x-Karen Thurman	D (i)	131,892	66
Jack Gargan	Rp.	67,067	34
District 6			
x-Clifford Stearns	R (i)	Uncontested	
District 7			
x-John Mica	R (i)	Uncontested	
District 8 (100%)			
Al Krulick	D	54,187	34
x-Bill McCollum	R (i)	104,146	66
District 9			
x-Michael Bilirakis	R (i)	Uncontested	
District 10			
x-Bill Young	R (i)	Uncontested	
District 11 (100%)			
x-Jim Davis	D (i)	85,167	65
Joe Chillura	R	46,107	35
District 12			
x-Charles Canady	R (i)	Uncontested	
District 13			
x-Dan Miller	R (i)	Uncontested	
District 14			
x-Porter Goss	R (i)	Uncontested	
District 15 (100%)			
David Golding	D	75,639	37
x-Dave Weldon	R (i)	129,232	63
District 16			
x-Mark Foley	R (i)	Uncontested	
District 17			
x-Carrie Meek	D (i)	Uncontested	
District 18			
x-Ileana Ros-Lehtinen	R (i)	Uncontested	
District 19			
x-Robert Wexler	D (i)	Uncontested	
District 20			
x-Peter Deutsch	D (i)	Uncontested	
District 21 (100%)			
Patrick Cusack	D	28,378	25
x-Lincoln Diaz-Balart	R (i)	84,003	75
District 22			
x-Clay Shaw	R (i)	Uncontested	
District 23			
x-Alcee Hastings	D (i)	Uncontested	
GEORGIA			
District 1			
x-Jack Kingston	R (i)	Uncontested	
District 2 (100%)			
x-Sanford Bishop	D (i)	77,992	57
Joseph McCormick	R	58,535	43
District 3			
x-Michael Collins	R (i)	Uncontested	
District 4 (97%)			
x-Cynthia McKinney	D (i)	99,403	62
Sunny Warren	R	61,311	37
District 5 (100%)			
x-John Lewis	D (i)	109,177	79
John H. Lewis	R	29,877	21
District 6 (97%)			
Gary Pelphrey	D	66,630	30
x-Newt Gingrich	R (i)	159,185	70
District 7 (100%)			
James Williams	D	69,294	45
x-Bob Barr	R (i)	85,982	56
District 8 (100%)			
Ronald Cain	D	53,081	38
x-Saxby Chambliss	R (i)	87,810	62
District 9			
x-Nathan Deal	R (i)	Uncontested	
District 10 (100%)			
Marion Freeman	D	60,140	41
x-Charles Norwood	R (i)	87,674	59
District 11 (99%)			
Vincent Littman	D	52,695	31
x-John Linder	R (i)	117,189	69
HAWAII			
District 1 (97%)			
x-Neil Abercrombie	D (i)	113,686	62
Gene Ward	R	66,661	36
District 2 (99%)			
x-Patsy Takemoto Mink	D (i)	127,953	70
Carol Douglass	R	42,703	23
IDAHO			
District 1 (97%)			
Dan Williams	D	88,221	45
x-Helen Chenoweth	R (i)	108,144	55
District 2 (98%) open			
Richard Stallings	D	75,856	45
x-Mike Simpson	R	89,340	53
ILLINOIS			
District 1 (91%)			
x-Bobby Rush	D (i)	136,970	86
Marlene Ahimaz	R	17,704	11
District 2 (97%)			
x-Jesse Jackson Jr.	D (i)	142,608	89
Robert Gordon	R	15,611	10
District 3 (98%)			
x-William Lipinski	D (i)	112,679	72
Robert Marshall	R	43,301	28
District 4 (96%)			
x-Luis Gutierrez	D (i)	51,803	82
John Birch	R	10,120	16
District 5— 96			
x-Rod Blagojevich	D (i)	91,399	74
Alan Spitz	R	32,465	26
District 6 (99%)			
Thomas Cramer	D	49,603	30
x-Henry Hyde	R (i)	111,115	67
District 7 (95%)			
x-Danny Davis	D (i)	125,798	93
Dorn Van Cleave	L	9,582	7
District 8 (99%)			
Mike Rothman	D	47,268	31
x-Philip Crane	R (i)	103,459	69
District 9 (98%) open			
x-Janice Schakowsky	D	104,809	74
Herbert Sohn	R	32,771	23
District 10			
x-John Porter	R (i)	Uncontested	
District 11 (96%)			
Gary Mueller	D	66,618	41
x-Gerald Weller	R (i)	95,864	59
District 12 (100%)			
x-Jerry Costello	D (i)	99,606	60
William Price	R	65,409	40
District 13 (99%) open			
Susan Hynes	D	77,712	39
x-Judy Biggert	R	121,736	61
District 14 (100%)			
Robert Cozzi	D	50,837	30
x-Dennis Hastert	R (i)	117,291	70
District 15 (99%)			
Laurel Prussing	D	64,477	39
x-Thomas Ewing	R (i)	102,901	61
District 16			
x-Donald Manzullo	R (i)	Uncontested	
District 17 (100%)			
x-Lane Evans	D (i)	100,128	52
Mark Baker	R	94,072	48
District 18			
x-Ray LaHood	R (i)	Uncontested	
District 19 (100%) open			
x-David Phelps	D	123,249	58
Brent Winters	R	90,185	42
District 20 (100%)			
Rich Verticchio	D	76,475	39
x-John Shimkus	R (i)	121,103	61
INDIANA			
District 1 (97%)			
x-Peter Visclosky	D (i)	90,033	73
Michael Petyo	R	32,244	26
District 2 (100%)			
Sherman Boles	D	62,052	38
x-David McIntosh	R (i)	98,938	61
District 3 (100%)			
x-Tim Roemer	D (i)	84,260	58
Daniel Holtz	R	60,665	42
District 4 (99%)			
Mark Wehrle	D	53,862	37
x-Mark Souder	R (i)	92,881	63
District 5 (100%)			
David Steele	D	57,959	36
x-Steve Buyer	R (i)	100,979	63
District 6 (100%)			
Bob Kern	D	31,185	17
x-Dan Burton	R (i)	133,235	72
District 7 (99%)			
Dutch Hillenburg	D	44,550	28
x-Edward Pease	R (i)	109,511	69
District 8 (100%)			
Gail Riecken	D	81,882	46
x-John Hostettler	R (i)	91,297	52
District 9 (98%) open			
x-Baron Hill	D	92,499	51
Jean Leising	R	87,234	48
District 10 (99%)			
x-Julia Carson	D (i)	65,951	58
Gary Hofmeister	R	44,919	39
IOWA			
District 1 (100%)			
Bob Rush	D	79,559	42
x-Jim Leach	R (i)	106,350	57
District 2 (100%)			
Rob Tully	D	82,441	44
x-Jim Nussle	R (i)	103,667	55
District 3 (98%)			
x-Leonard Boswell	D (i)	106,638	57
Larry McKibben	R	77,017	41
District 4 (99%)			
Jon Dvorak	D	66,059	34
x-Greg Ganske	R (i)	126,124	65
District 5			
x-Thomas Latham	R (i)	Uncontested	
KANSAS			
District 1 (99%)			
James Phillips	D	36,113	19
x-Jerry Moran	R (i)	151,028	81
District 2 (99%)			
James Clark	D	68,960	39
x-Jim Ryun	R (i)	107,590	61
District 3 (100%)			
x-Dennis Moore	D	102,299	52
Vince Snowbarger	R (i)	92,801	48
District 4 (100%)			
James Lawing	D	61,432	38
x-Todd Tiahrt	R (i)	94,092	59
KENTUCKY			
District 1 (100%)			
Thomas Barlow	D	77,148	45
x-Edward Whitfield	R (i)	94,739	55
District 2 (99%)			
Bob Evans	D	62,419	35
x-Ron Lewis	R (i)	112,657	64
District 3 (100%)			
Chris Gorman	D	92,865	48
x-Anne Northup	R (i)	100,690	52
District 4 (100%) open			
x-Kenneth Lucas	D	92,538	54
Gex Williams	R	80,427	46
District 5 (100%)			
Sidney Bailey-Bamer	D	38,844	22
x-Harold Rogers	R (i)	138,744	78
District 6 (100%) open			
Ernesto Scorsone	D	89,598	46
x-Ernie Fletcher	R	103,272	53
LOUISIANA			
District 1			
x-Robert Livingston	R (i)	Uncontested	
District 2 (100%)			
x-William Jefferson	D (i)	102,056	86
David Reed	D	10,799	9
District 3			
x-Billy Tauzin	R (i)	Uncontested	
District 4			
x-Jim McCrery	R (i)	Uncontested	
District 5			
x-John Cooksey	R (i)	Uncontested	
District 6 (100%)			
Marjorie McKeithen	D	94,172	49
x-Richard Baker	R (i)	96,944	51
District 7			
x-Chris John	D (i)	Uncontested	
MAINE			
District 1 (83%)			
x-Thomas Allen	D (i)	117,292	61
Ross Connelly	R	68,567	35
District 2 (90%)			
x-John Baldacci	D (i)	139,095	76
Jonathan Reisman	R	42,875	24
MARYLAND			
District 1 (100%)			
Irving Pinder	D	58,320	31
x-Wayne Gilchrest	R (i)	130,087	69
District 2 (100%)			
Kenneth Bosley	D	62,709	31
x-Robert Ehrlich	R (i)	140,644	69
District 3 (100%)			
x-Benjamin Cardin	D (i)	134,941	78
Colin Harby	R	38,378	22
District 4 (100%)			
x-Albert Wynn	D (i)	126,755	86
John Kimble	R	20,619	14
District 5 (100%)			
x-Steny Hoyer	D (i)	123,339	66
Robert Ostrom	R	64,637	34
District 6 (100%)			
Timothy McCown	D	71,047	37
x-Roscoe Bartlett	R (i)	122,434	63
District 7 (100%)			
x-Elijah Cummings	D (i)	112,546	86
Kenneth Kondner	R	18,049	14
District 8 (100%)			
Ralph Neas	D	83,997	40
x-Constance Morella	R (i)	127,833	60
MASSACHUSETTS			
District 1 (99%)			
x-John Olver	D (i)	120,891	72
Gregory Morgan	R	47,431	28
District 2			
x-Richard Neal	D (i)	Uncontested	
District 3 (100%)			
x-James McGovern	D (i)	107,506	57
Matthew Amorello	R	78,587	42
District 4			
x-Barney Frank	D (i)	Uncontested	
District 5 (100%)			
x-Martin Meehan	D (i)	127,358	71
David Coleman	R	52,705	29
District 6 (100%)			
x-John Tierney	D (i)	117,095	55
Peter Torkildsen	R	91,035	42
District 7 (100%)			
x-Edward Markey	D (i)	137,032	71
Patricia Long	R	56,901	29
District 8 (100%) open			
x-Michael Capuano	D	99,417	82
Philip Hyde	R	14,106	12
District 9			
x-Joe Moakley	D (i)	Uncontested	
District 10 (100%)			
x-William Delahunt	D (i)	161,645	70
Eric Bleicken	R	70,322	30
MICHIGAN			
District 1 (99%)			
x-Bart Stupak	D (i)	129,672	59
Michelle McManus	R	87,455	40
District 2 (99%)			
Bob Shrauger	D	63,161	30
x-Peter Hoekstra	R (i)	146,802	69
District 3 (99%)			
John Ferguson	D	49,432	25
x-Vernon Ehlers	R (i)	146,201	73
District 4 (99%)			
x-Dave Camp	R (i)	154,052	91
Stuart Goldberg	Nlp	4,324	3
District 5 (99%)			
x-James Barcia	D (i)	133,821	71
Donald Brewster	R	50,655	27
District 6 (99%)			
Clarence Annen	D	45,010	28
x-Fred Upton	R (i)	112,405	70
District 7 (100%)			
Jim Berryman	D	71,952	40
x-Nick Smith	R (i)	103,127	57
District 8 (100%)			
x-Debbie Stabenow	D (i)	125,167	57
Susan Grimes Munsell	R	84,255	39
District 9 (100%)			
x-Dale Kildee	D (i)	105,262	56
Tom McMillin	R	78,797	42
District 10 (100%)			
x-David Bonior	D (i)	107,861	52
Brian Palmer	R	93,326	45
District 11 (100%)			
Travis Reeds	D	76,097	34
x-Joseph Knollenberg	R (i)	144,247	64
District 12 (100%)			
x-Sander Levin	D (i)	105,232	56
Leslie Touma	R	79,720	42
District 13 (99%)			
x-Lynn Rivers	D (i)	99,929	58
Thomas Hickey	R	68,474	40
District 14 (97%)			
x-John Conyers	D (i)	116,197	87
Vendella Collins	R	15,404	11
District 15 (99%)			
x-Carolyn Kilpatrick	D (i)	100,055	86
Chrysanthea Fields	R	12,542	11
District 16 (100%)			
x-John Dingell	D (i)	115,595	67
William Morse	R	53,678	31
MINNESOTA			
District 1 (100%)			
Tracy Beckman	D	108,367	45
x-Gil Gutknecht	R (i)	132,185	55
District 2 (99%)			
x-David Minge	D (i)	148,246	57
Craig Duehring	R	99,434	38
District 3 (98%)			
Stanley Leino	D	64,337	24
x-Jim Ramstad	R (i)	196,758	72
District 4 (100%)			
x-Bruce Vento	D (i)	127,575	54
Dennis Newinski	R	94,507	40
District 5 (96%)			
x-Martin Sabo	D (i)	139,081	67
Frank Taylor	R	58,045	28
District 6 (100%)			
x-William Luther	D (i)	149,221	50
John Kline	R	136,688	46
District 7 (100%)			
x-Collin Peterson	D (i)	169,515	72
Aleta Edin	R	66,484	28
District 8 (92%)			
x-James Oberstar	D (i)	174,192	66
Jerry Shuster	R	70,669	26
MISSISSIPPI			
District 1 (100%)			
Rex Weathers	D	29,894	31
x-Roger Wicker	R (i)	65,761	67
District 2 (100%)			
x-Bennie Thompson	D (i)	79,156	71
William Chipman	L	32,006	29
District 3 (96%)			
x-Charles Pickering	R (i)	81,826	85
Charles Scarborough	L	14,401	15
District 4 (100%) open			
x-Ronnie Shows	D	71,132	53
Delbert Hosemann	R	60,595	45
District 5 (100%)			
x-Gene Taylor	D (i)	77,030	78
Randy McDonnell	R	19,003	19
MISSOURI			
District 1 (100%)			
x-William Clay	D (i)	91,702	73
Richmond Soluade	R	30,746	24
District 2 (100%)			
John Ross	D	57,565	28
x-James Talent	R (i)	142,313	70
District 3 (100%)			
x-Richard Gephardt	D (i)	98,281	56
William Federer	R	74,002	42
District 4 (100%)			
x-Ike Skelton	D (i)	128,136	70
Cecilia Noland	R	50,994	28
District 5 (100%)			
x-Karen McCarthy	D (i)	101,215	66
Penny Bennett	R	47,558	31
District 6 (100%)			
x-Pat Danner	D (i)	136,776	71
Jeff Bailey	R	51,679	27
District 7 (100%)			
Marc Perkel	D	43,389	24
x-Roy Blunt	R (i)	129,588	73
District 8 (100%)			
Anthony Heckemeyer	D	59,485	36
x-Jo Ann Emerson	R (i)	104,320	63
District 9 (100%)			
Linda Vogt	D	66,684	36
x-Kenny Hulshof	R (i)	116,195	62
MONTANA			
At Large (99%)			
Dusty Deschamps	D	145,793	44
x-Rick Hill	R (i)	173,925	53
NEBRASKA			
District 1 (99%)			
Don Eret	D	47,830	26
x-Doug Bereuter	R (i)	133,015	74
District 2 (100%) open			
Michael Scott	D	50,169	34
x-Lee Terry	R	96,510	66
District 3 (96%)			
x-Bill Barrett	R (i)	138,604	85
Jerry Hickman	L	24,890	15
NEVADA			
District 1 (100%) open			
x-Shelley Berkley	D	79,315	49
Don Chairez	R	73,540	46
District 2 (99%)			
x-Jim Gibbons	R (i)	200,925	81
Christopher Horne	IAP	20,675	8
NEW HAMPSHIRE			
District 1 (100%)			
Peter Flood	D	51,072	33
x-John E. Sununu	R (i)	103,032	67
District 2 (100%)			
Mary Rauh	D	72,387	45
x-Charles Bass	R (i)	85,785	53
NEW JERSEY			
District 1 (100%)			
x-Robert Andrews	D (i)	89,297	73
Ronald Richards	R	27,467	22
District 2 (100%)			
Derek Hunsberger	D	43,269	31
x-Frank LoBiondo	R (i)	92,196	66
District 3 (100%)			
Steven Polansky	D	54,626	35
x-Jim Saxton	R (i)	96,328	62
District 4 (100%)			
Larry Schneider	D	51,782	35
x-Christopher Smith	R (i)	91,924	62
District 5 (94%)			
Mike Schneider	D	52,783	32
x-Marge Roukema	R (i)	100,002	60
District 6 (100%)			
x-Frank Pallone	D (i)	77,722	57
Michael Ferguson	R	55,011	40
District 7 (100%)			
Maryanne Connelly	D	64,268	44
x-Bob Franks	R (i)	75,809	52
District 8 (99%)			
x-William Pascrell	D (i)	79,403	62
Matthew Kirnan	R	45,624	36
District 9 (99%)			
x-Steven Rothman	D (i)	88,423	65
Steve Lonegan	R	46,111	34
District 10 (97%)			
x-Donald Payne	D (i)	78,705	83
William Wnuck	R	10,316	11
District 11 (99%)			
John Scollo	D	43,919	30
x-Rodney Frelinghuysen	R (i)	100,625	68
District 12 (100%)			
x-Rush Holt	D	91,573	50
Mike Pappas	R (i)	86,448	47
District 13 (97%)			
x-Robert Menendez	D (i)	68,501	80
Theresa de Leon	R	14,221	17
NEW MEXICO			
District 1 (99%)			
Phillip Maloof	D	61,250	43
x-Heather Wilson	R (i)	66,164	46
District 2 (100%)			
E. Shirley Baca	D	61,917	42
x-Joe Skeen	R (i)	84,821	58
District 3 (99%)			
x-Thomas Udall	D	84,160	53
William Redmond	R (i)	67,689	43
NEW YORK			
District 1 (100%)			
William Holst	D	52,136	36
x-Michael Forbes	R (i)	93,664	64
District 2 (100%)			
John Bace	D	36,394	30
x-Rick Lazio	R (i)	81,119	66
District 3 (99%)			
Kevin Langberg	D	59,981	35
x-Peter King	R (i)	112,252	65
District 4 (99%)			
x-Carolyn McCarthy	D (i)	86,157	52
Gregory Becker	R	76,874	47
District 5 (99%)			
x-Gary Ackerman	D (i)	90,792	65
David Pinzon	R	46,373	33
District 6			
x-Gregory Meeks	D (i)	Uncontested	
District 7 (100%) open			
x-Joseph Crowley	D	45,398	66
James Dillon	R	19,332	28
District 8 (100%)			
x-Jerrold Nadler	D (i)	101,493	86
Theodore Howard	R	17,028	14
District 9 (100%) open			
x-Anthony Weiner	D	64,761	66
Louis Telano	R	23,500	24
District 10 (100%)			
x-Edolphus Towns	D (i)	77,630	92
Ernestine Brown	R	5,337	6
District 11 (100%)			
x-Major Owens	D (i)	70,541	90
David Greene	R	7,105	9
District 12 (99%)			
x-Nydia Velazquez	D (i)	50,387	82
Rosemarie Markgraf	R	7,966	13
District 13 (100%)			
Eugene Prisco	D	38,044	33
x-Vito Fossella	R (i)	74,484	66
District 14 (100%)			
x-Carolyn Maloney	D (i)	101,848	77
Stephanie Kupferman	R	30,426	23
District 15 (100%)			
x-Charles Rangel	D (i)	82,973	93
David Cunningham	R	5,116	6
District 16 (100%)			
x-Jose Serrano	D (i)	64,509	95
Thomas Bayley	R	2,396	4
District 17 (97%)			
x-Eliot Engel	D (i)	75,443	88
Peter Fiumefreddo	R	10,592	12
District 18 (95%)			
x-Nita Lowey	D (i)	83,583	83
Giulio Cavallo	I	2,952	3
District 19 (98%)			
Richard Collins	D	52,503	33
x-Sue Kelly	R (i)	98,512	63
District 20 (93%)			
Paul Feiner	D	59,555	40
x-Benjamin Gilman	R (i)	86,814	58
District 21 (99%)			
x-Michael McNulty	D (i)	138,913	74
Lauren Ayers	R	48,404	26
District 22 (100%) open			
Jean Bordewich	D	76,339	42
x-John Sweeney	R	100,743	55
District 23 (98%)			
x-Sherwood Boehlert	R (i)	104,846	80
David Vickers	Con.	26,586	20
District 24 (98%)			
Neil Tallon	D	28,329	21
x-John McHugh	R (i)	106,949	79
District 25 (99%)			
Yvonne Rothenberg	D	51,156	31
x-James Walsh	R (i)	114,798	69
District 26 (99%)			
x-Maurice Hinchey	D (i)	101,762	62
William Walker	R	51,299	31
District 27 (99%) open			
Bill Cook	D	71,461	42
x-Thomas Reynolds	R	99,427	58
District 28 (99%)			
x-Louise Slaughter	D (i)	113,742	64
Richard Kaplan	R	54,871	31
District 29 (99%)			
x-John LaFalce	D (i)	89,792	57
Chris Collins	R	63,616	41
District 30 (99%)			
Crystal Peoples	D	52,716	32
x-Jack Quinn	R (i)	110,327	68
District 31 (100%)			
Caleb Rossiter	D	38,112	25
x-Amo Houghton	R (i)	103,561	68
NORTH CAROLINA			
District 1 (100%)			
x-Eva Clayton	D (i)	84,927	62
District 2 (97%)			
x-Bob Etheridge	D (i)	96,765	57
Dan Page	R	71,163	42
District 3 (100%)			
Jonathan Williams	D	49,472	37
x-Walter Jones	R (i)	82,517	62
District 4 (100%)			
x-David Price	D (i)	127,919	57
Thomas Roberg	R	92,685	42
District 5 (100%)			
Michael Robinson	D	54,736	32
x-Richard Burr	R (i)	116,939	68
District 6 (100%)			
x-Howard Coble	R (i)	110,484	89
Jeffrey Bentley	L	14,209	11
District 7 (100%)			
x-Mike McIntyre	D (i)	122,838	91
Paul Meadows	L	11,755	9
District 8 (100%) open			
Mike Taylor	D	63,558	48
x-Robert Hayes	R	67,059	51
District 9 (93%)			
Rory Blake	D	46,370	30
x-Sue Myrick	R (i)	107,579	69
District 10 (100%)			
x-Cass Ballenger	R (i)	117,738	86
Deborah Eddins	L	19,822	14
District 11 (95%)			
David Young	D	73,675	42
x-Charles Taylor	R (i)	100,153	57
District 12 (100%)			
x-Melvin Watt	D (i)	81,450	56
John Scott Keadle	R	61,482	42
NORTH DAKOTA			
At Large (100%)			
x-Earl Pomeroy	D (i)	119,077	56
Kevin Cramer	R	87,137	41
OHIO			
District 1 (100%)			
Roxanne Qualls	D	79,016	47
x-Steve Chabot	R (i)	90,060	53
District 2 (100%)			
Charles Sanders	D	48,141	24
x-Rob Portman	R (i)	150,740	76
District 3 (100%)			
x-Tony Hall	D (i)	111,890	69
John Shondel	R	49,594	31
District 4 (98%)			
Paul McClain	D	62,537	36
x-Michael Oxley	R (i)	109,948	64
District 5 (99%)			
Susan Darrow	D	61,085	33
x-Paul Gillmor	R (i)	122,360	67
District 6 (100%)			
x-Ted Strickland	D (i)	101,231	57
Nancy Hollister	R	76,949	43
District 7 (100%)			
Donald Minor	D	49,058	28
x-Dave Hobson	R (i)	118,729	67
District 8 (100%)			
John Griffin	D	51,980	29
x-John Boehner	R (i)	125,645	71
District 9 (100%)			
x-Marcy Kaptur	D (i)	128,844	81
Edward Emery	R	30,117	19
District 10 (100%)			
x-Dennis Kucinich	D (i)	107,854	67
Joseph Slovenec	R	53,836	33
District 11 (99%) open			
x-Stephanie Tubbs Jones	D	110,931	79
James Hereford	R	18,728	13
District 12 (100%)			
Edward Brown	D	67,583	37
x-John Kasich	R (i)	114,413	63
District 13 (100%)			
x-Sherrod Brown	D (i)	115,168	62
Grace Drake	R	71,789	38
District 14 (100%)			
x-Thomas Sawyer	D (i)	104,243	63
Thomas Watkins	R	62,027	37
District 15 (100%)			
Adam Miller	D	44,986	26
x-Deborah Pryce	R (i)	100,419	59
District 16 (100%)			
Peter Ferguson	D	64,631	36
x-Ralph Regula	R (i)	114,770	64
District 17 (100%)			
x-James Traficant	D (i)	122,157	68
Paul Alberty	R	57,116	32
District 18 (100%)			
Robert Burch	D	73,678	40
x-Bob Ney	R (i)	111,988	60
District 19 (100%)			
Elizabeth Kelley	D	62,993	34
x-Steven LaTourette	R (i)	124,388	66
OKLAHOMA			
District 1 (100%)			
Howard Plowman	D	56,309	38
x-Steve Largent	R (i)	91,031	62
District 2 (100%)			
Hugh Kent Pharaoh	D	65,271	40
x-Tom Coburn	R (i)	93,114	57
District 3 (100%)			
Walt Roberts	D	55,163	38
x-Wes Watkins	R (i)	89,801	62
District 4 (100%)			
Ben Odom	D	52,107	38
x-J.C. Watts	R (i)	83,272	62
District 5 (100%)			
M.C. Smothermon	D	48,182	32
x-Ernest Istook	R (i)	103,217	68
District 6 (100%)			
Paul Barby	D	43,555	33
x-Frank Lucas	R (i)	84,901	65
OREGON			
District 1 (95%) open			
David Wu	D	39,816	52
Molly Bordonaro	R	34,188	45
District 2 (90%) open			
Kevin Campbell	D	38,719	34
x-Greg Walden	R	67,988	62
District 3 (88%)			
x-Earl Blumenauer	D (i)	46,334	84
Walter Brown	Swp.	3,335	6
District 4 (85%)			
x-Peter DeFazio	D (i)	71,872	68
Steve Webb	R	33,113	31
District 5 (69%)			
x-Darlene Hooley	D (i)	35,485	55
Marylin Shannon	R	25,933	40
PENNSYLVANIA			
District 1 (99%)			
x-Robert Brady	D (i)	76,570	81
William Harrison	R	15,977	17
District 2 (99%)			
x-Chaka Fattah	D (i)	102,126	86
Anne Marie Mulligan	R	16,082	14
District 3 (99%)			
x-Robert Borski	D (i)	67,064	60
Charles Dougherty	R	44,666	40
District 4 (100%)			
x-Ron Klink	D (i)	103,190	64
Mike Turzai	R	58,320	36
District 5 (100%)			
x-John Peterson	R (i)	99,795	85
William Belitskus	Grn.	17,932	15
District 6 (100%)			
x-Tim Holden	D (i)	84,573	61
John Meckley	R	53,551	39
District 7 (100%)			
Martin D'Urso	D	46,545	28
x-Curt Weldon	R (i)	119,163	72
District 8 (100%)			
Bill Tuthill	D	48,281	33
x-Jim Greenwood	R (i)	93,762	63
District 9			
x-Bud Shuster	R (i)	Uncontested	
District 10 (100%) open			
Patrick Casey	D	83,419	48
x-Donald Sherwood	R	84,015	49
District 11 (100%)			
x-Paul Kanjorski	D (i)	88,461	67
Stephen Urban	R	43,850	33
District 12 (100%)			
x-John Murtha	D (i)	100,264	68
Timothy Holloway	R	46,210	32
District 13 (100%)			
x-Joseph Hoeffel	D	94,464	52
Joe Fox	R (i)	85,110	47
District 14 (100%)			
x-William Coyne	D (i)	82,746	60
Bill Ravotti	R	52,747	38
District 15 (100%) open			
Roy Afflerbach	D	66,598	45
x-Patrick Toomey	R	81,472	55
District 16 (100%)			
Robert Yorczyk	D	40,037	29
x-Joseph Pitts	R (i)	95,801	71
District 17			
x-George Gekas	R (i)	Uncontested	
District 18 (100%)			
x-Michael Doyle	D (i)	97,643	68
Richard Walker	R	46,764	32
District 19 (100%)			
Linda Ropp	D	40,614	29
x-William Goodling	R (i)	96,268	68
District 20			
x-Frank Mascara	D (i)	Uncontested	
District 21 (99%)			
Larry Klemens	D	54,662	37
x-Philip English	R (i)	93,231	63
RHODE ISLAND			
District 1 (99%)			
x-Patrick Kennedy	D (i)	89,940	67
Ronald Santa	R	36,882	27
District 2 (100%)			
x-Robert Weygand	D (i)	106,903	72
John Olaf Matson	R	36,719	25
SOUTH CAROLINA			
District 1 (99%)			
x-Mark Sanford	R (i)	114,555	91
Joseph Innella	Nlp	11,160	9
District 2 (98%)			
Jane Frederick	D	81,204	41
x-Floyd Spence	R (i)	116,337	58
District 3			
x-Lindsey Graham	R (i)	Uncontested	
District 4 (100%) open			
Glenn Reese	D	73,224	40
x-James DeMint	R	104,965	58
District 5 (95%)			
x-John Spratt	D (i)	87,416	57
Mike Burkhold	R	62,232	41
District 6 (94%)			
x-James Clyburn	D (i)	110,825	73
Gary McLeod	R	38,506	25
SOUTH DAKOTA			
At Large (99%)			
Jeff Moser	D	63,878	25
x-John Thune	R (i)	192,742	75
TENNESEE			
District 1 (100%)			
Kay White	D	30,595	31
x-William Jenkins	R (i)	68,644	69
District 2 (100%)			
x-John Duncan	R (i)	91,450	89
George Njezic	I	2,928	[illegible]
District 3 (100%)			
James Lewis	D	35,401	[illegible]
x-Zach Wamp	R (i)	75,863	[illegible]
District 4 (100%)			
Jerry Cooper	D	42,458	[illegible]
x-Van Hilleary	R (i)	62,665	[illegible]
District 5 (100%)			
x-Bob Clement	D (i)	74,333	[illegible]
Al Borgman	I	5,438	[illegible]
District 6 (100%)			
x-Bart Gordon	D (i)	74,758	[illegible]
Walt Massey	R	62,217	[illegible]
District 7			
x-Ed Bryant	R (i)	Uncontested	
District 8			
x-John Tanner	D (i)	Uncontested	
District 9 (100%)			
x-Harold Ford Jr.	D (i)	75,428	[illegible]
Claude Burdikoff	R	18,078	[illegible]
TEXAS			
District 1 (100%)			
x-Max Sandlin	D (i)	80,118	[illegible]
Dennis Boerner	R	54,895	[illegible]
District 2 (100%)			
x-Jim Turner	D (i)	81,824	[illegible]
Brian Babin	R	57,180	[illegible]
District 3 (100%)			
x-Sam Johnson	R (i)	103,391	91
Ken Ashby	L	9,815	[illegible]
District 4 (100%)			
x-Ralph Hall	D (i)	82,602	[illegible]
Jim Lohmeyer	R	57,830	[illegible]
District 5 (100%)			
Victor Morales	D	45,950	[illegible]
x-Pete Sessions	R (i)	58,628	[illegible]
District 6 (100%)			
Ben Boothe	D	39,700	[illegible]
x-Joe Barton	R (i)	112,035	[illegible]
District 7 (100%)			
x-Bill Archer	R (i)	110,999	93
Drew Parks	L	7,889	7
District 8 (100%)			
x-Kevin Brady	R (i)	123,359	91
Don Richards	L	11,580	9
District 9 (100%)			
x-Nick Lampson	D (i)	86,051	64
Tom Cottar	R	49,105	36
District 10 (100%)			
x-Lloyd Doggett	D (i)	116,111	85
Vincent May	L	20,151	15
District 11 (100%)			
x-Chet Edwards	D (i)	71,956	83
Vince Hanke	L	15,238	17
District 12 (100%)			
Tom Hall	D	39,084	36
x-Kay Granger	R (i)	66,737	63
District 13 (100%)			
Mark Harmon	D	35,756	31
x-Mac Thornberry	R (i)	79,329	68
District 14 (100%)			
Loy Sneary	D	67,897	44
x-Ron Paul	R (i)	84,443	55
District 15 (100%)			
x-Ruben Hinojosa	D (i)	48,282	59
Tom Haughey	R	33,018	41
District 16 (100%)			
x-Silvestre Reyes	D (i)	67,477	[illegible]
Lorenzo Morales	L	3,951	
District 17 (99%)			
x-Charles Stenholm	D (i)	78,908	54
Rudy Izzard	R	66,371	45
District 18 (100%)			
x-Sheila Jackson Lee	D (i)	82,079	90
James Galvan	L	9,172	10
District 19 (100%)			
Sidney Blankenship	D	21,141	16
x-Larry Combest	R (i)	108,249	84
District 20 (100%) open			
x-Charlie Gonzalez	D	50,343	63
James Walker	R	28,324	36
District 21 (100%)			
x-Lamar Smith	R (i)	161,971	91
Jeffrey Blunt	L	15,338	9
District 22 (100%)			
Hill Kemp	D	45,381	34
x-Tom DeLay	R (i)	87,806	65
District 23 (100%)			
Charlie Jones	D	40,308	35
x-Henry Bonilla	R (i)	73,273	64
District 24 (100%)			
x-Martin Frost	D (i)	52,931	58
Shawn Terry	R	37,358	41
District 25 (100%)			
x-Ken Bentsen	D (i)	58,444	58
John Sanchez	R	41,620	41
District 26 (100%)			
x-Dick Armey	R (i)	100,819	88
Joe Turner	L	13,697	12
District 27 (100%)			
x-Solomon Ortiz	D (i)	61,337	63
Erol Stone	R	34,301	35
District 28 (100%)			
x-Ciro Rodriguez	D (i)	71,844	91
Edward Elmer	L	7,503	9
District 29 (100%)			
x-Gene Green	D (i)	44,276	93
James Chudleigh	L	1,540	3
District 30 (100%)			
x-Eddie Bernice Johnson	D (i)	46,291	70
Carrie Kelleher	R	19,270	29
UTAH			
District 1 (100%)			
Steve Beierlein	D	49,186	30
x-James Hansen	R (i)	109,370	68
District 2 (100%)			
Lily Eskelsen	D	76,865	43
x-Merrill Cook	R (i)	93,367	53
District 3 (99%)			
x-Christopher Cannon	R (i)	99,983	77
Kitty Burton	L	9,485	7
VERMONT			
At Large (99%)			
Mark Candon	R	69,405	33
x-Bernard Sanders	I (i)	135,209	64
VIRGINIA			
District 1 (100%)			
x-Herbert Bateman	R (i)	76,468	71
Josh Billings	I	9,662	10
District 2			
x-Owen Pickett	D (i)	Uncontested	
District 3 (100%)			
x-Robert Scott	D (i)	48,132	77
Robert Barnett	I	14,446	23
District 4			
x-Norman Sisisky	D (i)	Uncontested	
District 5			
x-Virgil Goode	D (i)	Uncontested	
District 6 (100%)			
David Bowers	D	40,070	31
x-Robert Goodlatte	R (i)	89,488	69
District 7 (100%)			
x-Thomas Bliley	R (i)	57,507	74
Bradley Evans	I	20,150	26
District 8 (100%)			
x-James Moran	D (i)	97,336	67
Demaris Miller	R	48,064	33
District 9 (100%)			
x-Frederick Boucher	D (i)	87,090	61
J.A. "Joe" Barta	R	55,942	39
District 10 (99%)			
Cornell Brooks	D	36,294	25
x-Frank Wolf	R (i)	102,187	71
District 11 (100%)			
x-Thomas Davis	R (i)	90,982	83
Levi Levy	I	18,554	17
WASHINGTON			
District 1 (100%)			
x-Jay Inslee	D	80,294	51
Rick White	R (i)	68,187	43
District 2 (99%)			
Grethe Cammermeyer	D	79,700	45
x-Jack Metcalf	R (i)	97,368	55
District 3 (100%) open			
x-Brian Baird	D	100,868	55
Don Benton	R	83,043	45
District 4 (100%)			
Gordon Pross	D	34,851	27
x-Doc Hastings	R (i)	96,075	69
District 5 (99%)			
Brad Lyons	D	62,336	38
x-George Nethercutt	R (i)	92,684	57
District 6 (98%)			
x-Norm Dicks	D (i)	106,620	68
Bob Lawrence	R	49,057	32
District 7 (95%)			
x-Jim McDermott	D (i)	118,511	89
Stan Lippmann	Rp.	11,894	9
District 8 (97%)			
Heidi B. Benedict	D	56,925	42
x-Jennifer Dunn	R (i)	78,909	58
District 9 (99%)			
x-Adam Smith	D (i)	76,274	65
Ron Taber	R	41,422	35
WEST VIRGINIA			
District 1 (100%)			
x-Alan Mollohan	D (i)	104,054	85
Richard Kerr	L	18,833	15
District 2 (100%)			
x-Robert Wise	D (i)	98,397	73
Sally Anne Kay	R	28,785	21
District 3 (100%)			
x-Nick Rahall	D (i)	76,866	86
Joe Whelan	L	12,986	14
WISCONSIN			
District 1 (98%) open			
Lydia Spottswood	D	82,926	48
x-Paul Ryan	R	111,938	57
District 2 (96%) open			
x-Tammy Baldwin	D	114,185	53
Josephine Musser	R	99,730	47
District 3 (99%)			
x-Ron Kind	D (i)	126,666	72
Troy Brechler	R	50,115	28
District 4 (100%)			
x-Gerald Kleczka	D (i)	105,850	58
Thomas Reynolds	R	76,397	42
District 5 (99%)			
x-Tom Barrett	D (i)	117,581	78
Jack Melvin	R	32,290	22
District 6 (99%)			
x-Thomas Petri	R (i)	143,470	93
Timothy Farness	Ust.	11,243	[illegible]
District 7 (100%)			
x-David Obey	D (i)	115,621	61
Scott West	R	74,943	39
District 8 (99%)			
Jay Johnson	D (i)	92,332	46
x-Mark Green	R	110,016	54
District 9 (99%)			
x-James Sensenbrenner	R (i)	182,931	91
Jeffery Gonyo	I	17,234	9
WYOMING			
At Large (100%)			
Scott Farris	D	67,398	39
x-Barbara Cubin	R (i)	100,657	58

ELECTION '98 / *Surprises, but No Change of Control at the Capitol*

Jeff Geissler/The Associated Press

Senator Alfonse D'Amato, Republican of New York, gesturing before conceding defeat to Representative Charles Schumer in New York.

Lou Dematteis/Reuters

Senator Barbara Boxer, Democrat of California, laughing at a rally in San Francisco as she celebrated her victory over her challenger, Matt Fong.

Bob Jordan/The Associated Press

Senator Lauch Faircloth, Republican of North Carolina, composing himself before a speech in Raleigh conceding defeat to John Edwards.

Democrats Gain 4 House Seats

Results Defy Historical Pattern

Compiled by Our Staff From Dispatches

WASHINGTON — Democrats defied historical trends by picking up four seats in the House of Representatives during the midterm elections, but they fell short of winning the big prize: control of the chamber.

For the first time since 1934, the party of a sitting president gained seats during a nonpresidential election year, buoyed by a healthy economy and an electorate unfazed by the sex scandal involving President Bill Clinton.

After several close races were decided early Wednesday, Republicans held 223 of 435 House seats and Democrats 210, with a race in Oregon still undecided and one independent retaining a seat. Republicans had hoped to widen their majority, but instead were left with one of the smallest margins of control this century.

But the Democrats' surprise gains in Tuesday's voting did not yield the 11 seats they needed to wrest control from the Republicans. In 1994 Republicans swept to power in the House after languishing in the minority for 40 years. Going into the election Republicans had held 228 seats to 206 for Democrats.

The House Democratic leader, Richard Gephardt, called his party's victory a "historic reversal."

"It says the people stood up and said, 'Hey, we want you to listen to us and work on issues such as education, Social Security and health care,'" the Missouri lawmaker said.

Just a few weeks ago, Republican leaders predicted that they would pick up as many as 30 seats because of the White House scandal. They lowered their sights considerably in recent days as Americans made clear in poll after poll that they were tuning out Washington's obsession with it.

Nonetheless, if there was a trend, it was that it paid to be an incumbent in 1998, as it has in most elections. Only six incumbents were defeated: Vince Snowbarger of Kansas, Bill Redmond of New Mexico, Jon Fox of Pennsylvania, Mike Pappas of New Jersey and Rick White of Washington state, all Republicans, and Jay Johnson of Wisconsin, a Democrat.

More than any overriding national theme, local issues, personalities and campaign financing helped decide many races. Only a few House candidates raised Mr. Clinton's relationship with Monica Lewinsky as a driving issue, although Republicans in the last few days of the campaign ran television spots invoking the scandal in several conservative districts.

The two parties opened the year expecting a relatively placid midterm election with voters soothed by the strong economy and giving Congress its highest approval ratings in years.

Leery of shaking the mood of content, House Republicans ran largely on their accomplishments. They put forward no new agenda such as the "Contract With America," which propelled them into the majority in 1994 on a far-reaching conservative agenda.

Democrats, by contrast, hoped to make inroads with an agenda of issues blocked by the Republicans, ranging from anti-tobacco legislation to regulation of health maintenance organizations to money for school construction to overhaul of the campaign finance system.

Since Mr. Clinton told the nation in August that he had had an "inappropriate relationship" with Ms. Lewinsky, some Democrats had feared that they would suffer a rout.

But the political mood seemed to shift after the Republican-controlled House released reams of salacious testimony that the independent counsel, Kenneth Starr, had gathered about Mr. Clinton's relationship with Ms. Lewinsky and voted to open a formal impeachment inquiry. *(NYT, Reuters)*

■ 3 Win Despite Admitting Adultery

Three Republican representatives who admitted to adultery — including the head of the House Judiciary Committee — won re-election by healthy margins, The Associated Press reported. A Republican House candidate in Florida who fathered a child in an adulterous relationship was defeated.

Representative Henry Hyde, the Republican chairman of the Judiciary Committee, which is overseeing the impeachment inquiry against Mr. Clinton, won Tuesday as strongly as was expected: He grabbed 67 percent of the vote in his northern Illinois district to 30 percent for Thomas Cramer, a Democrat.

A conservative Republican representive from Idaho, Helen Chenoweth, beat her Democratic challenger, Dan Williams, with 55 percent of the vote. She had a six-year sexual affair with a married business partner that ended 10 years before her election to Congress.

Representative Dan Burton, Republican of Indiana, admitted in September to an extramarital affair that produced a child in the early 1980s. He got 72 percent of the vote in his district, easily beating Bob Kern, a Democrat.

In Florida, Bill Randall, a Republican, lost handily to the incumbent Democrat, Corrine Brown. Mr. Randall, a minister who campaigned on ethics and family values, acknowledged fathering a son with another woman while he was separated from his wife 18 years ago.

Senate

The Associated Press

Here are returns as of 0531 GMT in the races for U.S. Senate.
Winners are marked with an 'x.' An (i) means incumbent. 'Open' means there was no incumbent in the race.

ALABAMA (99%)			
Suddith	D	468,438	37
x-Shelby	R (i)	800,830	63
ALASKA (75%)			
Sonneman	D	33,725	20
x-Murkowski	R (i)	129,733	75
ARIZONA (97%)			
Ranger	D	229,849	27
x-McCain	R (i)	581,232	69
ARKANSAS (98%) open			
x-Lincoln	D	381,237	56
Boozman	R	285,829	42
CALIFORNIA (95%)			
x-Boxer	D (i)	3,765,097	53
Fong	R	2,994,983	43
COLORADO (98%)			
Lamm	D	451,680	35
x-Campbell	R (i)	802,125	62
CONNECTICUT (96%)			
x-Dodd	D (i)	567,130	65
Franks	R	277,698	32
FLORIDA (100%)			
x-Graham	D (i)	2,428,840	63
Crist	R	1,455,621	37
GEORGIA (97%)			
Coles	D	744,950	45
x-Coverdell	R (i)	860,955	52
HAWAII (99%)			
x-Inouye	D (i)	305,410	79
Young	R	68,371	18
IDAHO (98%) open			
Mauk	D	104,107	28
x-Crapo	R	254,534	69
ILLINOIS (98%)			
Mosley-Braun	D (i)	1,565,265	47
x-Fitzgerald	R	1,691,994	51
INDIANA (98%)			
x-Bayh	D	990,254	63
Helmke	R	549,332	35
IOWA (99%)			
Osterberg	D	291,455	31
x-Grassley	R (i)	638,280	68
KANSAS (2 open seats) (99%)			
Feleciano	D	227,702	32
x-Brownback	R (i)	469,632	65
KENTUCKY (99%) open			
Baesler	D	557,962	49
x-Bunning	R	562,828	50
LOUISIANA (100%)			
x-Breaux	D (i)	619,219	64
Donelon	R	306,081	32
MARYLAND (100%)			
x-Mikulski	D (i)	1,034,814	71
Pierpont	R	426,499	29
MISSOURI (100%)			
Nixon	D	690,687	44
x-Bond	R (i)	830,800	53
NEVADA (88%)			
Reid	D (i)	206,665	48
Ensign	R	205,882	48
NEW HAMPSHIRE (98%)			
Condodemetraky	D	87,761	28
x-Gregg	R (i)	211,009	68
NEW YORK (97%) open			
x-Schumer	D	2,358,196	54
D'Amato	R (i)	1,924,403	44
NORTH CAROLINA (99%) open			
x-Edwards	D	993,567	51
Faircloth	R (i)	912,786	47
NORTH DAKOTA (97%)			
x-Dorgan	D (i)	131,293	63
Nalewaja	R	73,308	35
OHIO (99%) open			
Boyle	D	1,458,210	44
x-Voinovich	R	1,887,342	56
OKLAHOMA (100%)			
Carroll	D	274,889	31
x-Nickles	R (i)	578,604	66
OREGON (84%)			
x-Wyden	D (i)	247,985	57
Lim	R	151,244	35
PENNSYLVANIA (99%)			
Lloyd	D	1,018,547	35
x-Specter	R (i)	1,803,039	61
SOUTH CAROLINA (98%)			
x-Hollings	D (i)	541,283	52
Inglis	R	475,245	46
SOUTH DAKOTA (96%)			
x-Daschle	D (i)	157,319	62
Schmidt	R	92,907	37
UTAH (99%)			
Leckman	D	162,481	33
x-Bennett	R (i)	315,070	64
VERMONT (91%)			
x-Leahy	D (i)	142,125	72
Tuttle	R	44,437	23
WASHINGTON (97%)			
x-Murray	D (i)	791,464	58
Smith	R	564,805	42
WISCONSIN (96%)			
x-Feingold	D (i)	863,201	50
Neumann	R	833,780	49

Reuters

John Edwards

AP

Jim Bunning

Reuters

Russ Feingold

In Senate Races, Some Icons Fall

D'Amato Era Ends In New York

By Adam Nagourney
New York Times Service

NEW YORK — Charles Schumer, a congressman from Brooklyn with a tenacious political spirit and a huge campaign war chest, won election to the U.S. Senate, toppling Senator Alfonse D'Amato and ending his reign as one of the most imposing figures New York Republicans have produced in 50 years.

Republicans retained solid control of the Senate on Tuesday night, but struggled to pick up gains that would help advance their legislative agenda or a possible impeachment trial of President Bill Clinton next year.

Lauch Faircloth of North Carolina, the Republican incumbent, fell to a multimillionaire trial lawyer, John Edwards, and Barbara Boxer of California, the Democratic incumbent, held off a strong challenge from California's state treasurer, Matt Fong.

In Illinois, the Democratic incumbent, Carol Moseley-Braun, lost to a state senator, Peter Fitzgerald.

In Wisconsin, Senator Russell Feingold, who defied conventional political wisdom and the wishes of his own Democratic Party by sharply limiting the campaign money he would accept, was re-elected as voters rejected the Republican candidate, Mark Neumann, a two-term congressman from Wisconsin's First District.

The Republicans were assured of the 55 seats they held before the voting. With the Nevada race between the incumbent Democratic senator, Harry Reid, and the Republican representative, John Ensign, still close, Republicans had a chance of adding a seat — far short of the five additional seats that party leaders had hoped for earlier.

In New York, Mr. Schumer adopted many of Mr. D'Amato's own political techniques, from relentless fund raising to a take-no-prisoners style of television advertising, to achieve a goal that has eluded Democrats since 1980, when Mr. D'Amato slipped into office in a race that was split three ways. In the process, Mr. Schumer, 47, who has served nine terms in Congress, provided the national Democratic Party with one of its biggest victories of the night.

With 96 percent of the state's precincts reporting, Mr. Schumer had 2,332,401 votes, or 54 percent. Mr. D'Amato had 1,901,978 votes, or 44 percent.

The Senate race altered New York's political landscape, eclipsing one of the country's most ferocious political personalities and ending an era in Republican politics in the state. It was a rare moment of good news for New York Democrats in what has been a barren decade, and it immediately established Mr. Schumer as the state party's presumptive political leader.

Mr. D'Amato called Mr. Schumer at his suite at the Waldorf-Astoria Hotel to concede at 10:45 P.M. Mr. Schumer, moving to the song "Simply the Best," by Tina Turner, declared victory 25 minutes later.

"I want to thank you, New York," Mr. Schumer said. "You have honored me with your trust. And I promise all New Yorkers that as hard as I fought to win this election, I'll fight even harder for everyone in this state, for the country that we love."

Referring to the bitter campaign, Mr. Schumer said, "Campaigns more often than not must focus on the thing that divides us. But government and public service must focus more on the causes that unite us."

Mr. Clinton called Mr. Schumer with congratulations at about 9:30 P.M., a half hour after polls closed. Mr. Clinton's gesture reflected White House ebullience at the result; the president had campaigned twice in the state with Mr. Schumer, and Hillary Rodham Clinton visited the state four times to campaign against Mr. D'Amato, who ran the Senate investigation into the Clintons' Whitewater business dealings.

Mr. Schumer ran one of the most efficient and relentless campaigns by a Democrat in New York in years, and certainly the most intense challenge Mr. D'Amato faced during his 18 years in statewide politics.

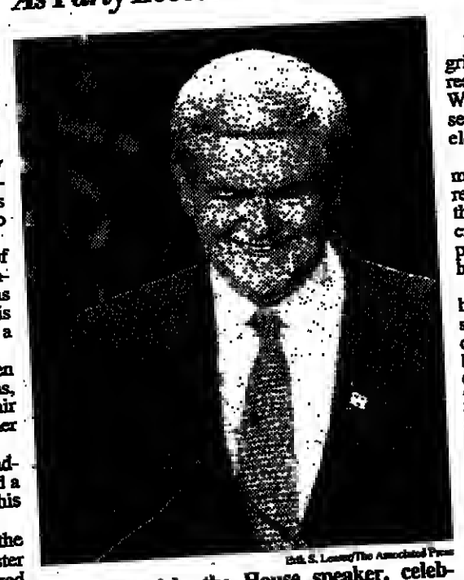
Even Mr. D'Amato's friends came to view his campaign as a faltering and uncertain effort that often seemed unable to adjust to a pugilistic and nimble challenger and to a political climate that had changed since Mr. D'Amato first came upon the scene.

The formula that had served Mr. D'Amato so well for so many years — a combination of heavy spending and an emphasis on his attention to voters' local concerns — apparently failed this time to erase doubts about his ideology and his integrity. His attempts to discredit Mr. Schumer first as a liberal and a New York City partisan, a strategy that brought Mr. D'Amato victory in 1986 and 1992, did not work this time.

A midcampaign course correction in which Mr. D'Amato began to attack Mr. Schumer for missing votes in Congress in order to run for the Senate failed as well.

Republicans Lash Out at Their Leaders

As Party Loses House Seats, Some Blast Gingrich and Lott for Budget Deal



Bill S. Lowery/The Associated Press

Newt Gingrich, the House speaker, celebrating his re-election in his district in Georgia.

Compiled by Our Staff From Dispatches

WASHINGTON — Newt Gingrich, speaker of the House of Representatives, was on the defensive Wednesday after Republicans lost seats in the House in the midterm elections Tuesday.

Mr. Gingrich called the results mixed, praising Republicans for retaining control of the House for a third consecutive Congress but crediting Democrats with defying precedent and gaining seats while holding the White House.

But some Republicans did not hide their disappointment. Representative Steve Chabot, Republican of Ohio, who won a third term, blasted the budget deal that Mr. Gingrich and the Senate majority leader, Trent Lott, Republican of Mississippi, struck with the White House, in which he said Republicans "basically bought our way out of Washington because we were afraid of the president's veto pen."

Mr. Gingrich insisted the results would not affect the impeachment investigation of President Bill Clinton. Despite a last-minute Republican ad campaign focusing on the president's conduct, Mr. Gingrich said the media were "obsessed" with impeachment and promised that the inquiry would be handled as "a constitutional issue."

"This will be the first time in 70 years that Republicans kept control of the House for a third term," Mr. Gingrich told supporters at a rally in Georgia. "You would think when you do something for the first time in 70 years it would be a big deal, but not for the Washington pundits."

The Republicans had 228 seats in the outgoing Congress and are likely to have 223 in the new. The Democrats had 206 in the old Congress, have won 210 in the new and were leading in the only undecided race. There is one independent.

Asked whether he had miscalculated in authorizing a last-minute media ads pegged to Mr. Clinton's sexual liaison in the White House, however, Mr. Gingrich bristled and lashed out at the media.

"We didn't understand that people would frankly just get fed up with the existence of the topic," Mr. Gingrich said in Georgia. *(AP, Reuters, AFP)*

Black Voters and Gambling Help Democrats Make a Comeback in South

By Edward Walsh
Washington Post Service

WASHINGTON — Democrats have experienced a resurgence in the South, winning a series of elections in a region that in recent years was transformed from the once "Solid South" of large Democratic majorities into the most Republican part of the United States.

Apparently buoyed by a large turnout of black voters while not being hurt by Republican attempts to focus on President Bill Clinton's relationship with Monica Lewinsky, the Democrats rode to victory in key Senate and gubernatorial races in four southern states that had been growing increasingly Republican.

But at the same time, the Republicans captured two of the biggest prizes in the South — the governor's offices in Florida and Texas — and when all the votes are counted will continue to hold a majority of the region's Senate seats and governor's offices. The big losers in the voting Tuesday, said Merle Black, a leading authority on southern politics, were Christian conservatives and the Republican politicians who tied themselves too closely to their agenda.

Mr. Black, a political science professor at Emory University in Atlanta, said the outcome of the gubernatorial races in South Carolina and Alabama demonstrated how Christian conservatives' opposition to gambling served as a drag on Republican candidates. South Carolina's governor, David Beasley, a Republican, was defeated by Jim Hodges, a Democrat, while in Alabama the incumbent Republican governor, Fob James, was ousted from office by the Democratic lieutenant governor, Donald Siegelman.

In both states, the key issues were proposals pushed by the Democratic candidates and opposed by their Republican opponents to create state lotteries and use the revenue generated by legalized gambling to fund college scholarship programs. The idea was pioneered by the immensely popular Democratic governor of neighboring Georgia, Zell Miller, who is retiring.

"Democrats win governorships when they present themselves as innovators in public policy," Mr. Black said. "The innovation is the lottery for scholarships. Democrats can do this because they don't have a significant portion of the constituency opposed to the lottery. This is an issue where Republicans can't innovate."

Cautioning Democrats not to read too much into the southern surge, Mr. Black said that the Republicans remained strong in the South. The Republican Party continued to score election victories with candidates who retained firm ties to traditional Republican supporters in the business community while not alienating Christian conservatives, Mr. Black said. He cited the victories Tuesday of "the Bush boys," Jeb and George, the sons of former President George Bush. Jeb Bush was elected governor of Florida while his brother rode to an overwhelming reelection victory as governor of Texas.

"There is a lesson in this," Mr. Black said. "The Republican governors who have governed as centrists and not alienated the Christian right, those Republicans are doing fine. It's the real right-wingers who are losing because they are not pursuing an agenda that enjoys majority support."

In South Carolina, Mr. Beasley once enjoyed strong support from Christian conservatives, but he managed to alienate his own base with a proposal to remove the Confederate battle flag from atop the state Capitol. Already put on the defensive on the lottery issue by Mr. Hodges, Mr. Beasley supported the elimination of video poker games in the state, provoking a huge infusion of cash for Mr. Hodges from the state's $2.4 billion video poker industry.

Exit polls across the South suggested that while the region remains a bastion of anti-Clinton sentiment, Republican attempts to capitalize on the Lewinsky scandal fell short of hopes.

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Why Thousands Die

We tend to divide disasters into natural and man-made. But Hurricane Mitch, which has left 7,000 dead in Central America, is a reminder that all such disasters in one sense have their origins in human factors. It has been more than a quarter-century since a hurricane claimed more than 100 lives in the United States (Agnes, in 1972), but when a similar storm hits poor countries like Honduras, thousands perish.

Mitch unexpectedly stalled for days, dumping four feet (1.2 meters) of rain. Washington has received less than three feet of rain all year. Anywhere it struck, Mitch would have been deadly. But only poverty can explain why it was so deadly. In poor countries, people crowd onto marginal land, in flood plains or on the slopes of menacing volcanoes. They denude the hills, making mudslides more likely. Their flimsy houses have no basements or foundations. Upriver dams are old, poorly built, infrequently inspected.

Poor countries lack the technology to track coming storms, the communications systems to send warnings, the resources to stage large-scale evacuations, and the havens. There are few helicopters, boats or bulldozers for rescue; scant telecommunications equipment to pinpoint the greatest areas of need; poor or no medical care to save the injured.

Failure to respect the environment has aggravated disasters this year in floods from China to Bangladesh to the Caribbean. Deforestation, silted riverbeds and construction in flood plains all spell increased casualties. In coming years, the accumulation of human-generated greenhouse gases in the atmosphere, primarily associated with global warming, also may further increase the human cost.

The aftermath of such storms is far more painful in poor countries. People have no insurance; joblessness caused by (as in Honduras) the washing away of banana plantations may lead to hunger. Those wanting to contribute to the needy can call the Red Cross or other international relief agencies. But true solutions lie in advance preparation and long-term development, not in emergency relief.

—THE WASHINGTON POST.

Malaysia on Trial

The trial of Anwar Ibrahim, which opened on Monday in Malaysia, is a battle for the future of Southeast Asia. Mr. Anwar, once Malaysia's deputy prime minister and leader-in-waiting, faces four charges of interfering with investigations of his alleged sexual misconduct. More charges await him. They are all questionable. The more likely reason for his arrest is that Prime Minister Mahathir bin Mohamad, worried by the fall of President Suharto in Indonesia, felt threatened by Mr. Anwar's popularity and reform agenda. But Mr. Mahathir has miscalculated. His attack on Mr. Anwar, the most important of a new generation of Asian leaders, is fueling support for reformist ideas across the region.

Mr. Anwar, who is 51, has been arguing for an independent judiciary, free media and laws to control corruption and nepotism, a program that gained public support with Asia's economic crisis. Western free market liberals claim him as their own, but he also has great appeal at home. He was once a Muslim radical, and argues that tolerance and democracy are not Western imports but grow out of Asian ideals and Islam.

Like Mr. Suharto, Mr. Mahathir brought his country steady growth but also crony capitalism, a repressive Internal Security Act and a subservient judiciary and media. He has now withdrawn Malaysia from the world trading system and instituted capital controls, which greatly concentrate control of the economy in his hands. Mr. Anwar's opposition to such ideas may have provoked his arrest.

The high-profile outrages of Mr. Anwar's case, including his beating in custody and the media's adherence to the Mahathir line, have spurred the reform movement. Even though hundreds of protesters have been arrested or clubbed, public demonstrations in Malaysia are growing.

Indonesia's president, B. J. Habibie, and the Philippine president, Joseph Estrada, have criticized the arrest, breaking a code of silence among Asian leaders about one another's internal affairs. Mr. Estrada has said that such frankness should extend to all issues. It is not yet clear whether the idea of reform can spread to the more repressive nations in the region, such as Cambodia, Vietnam and Burma. But reformist leaders may now be more willing to press their neighbors to democratize.

Malaysia will be host to a Pacific economic summit meeting in two weeks. President Bill Clinton and other Asian leaders can make a powerful statement by asking to see Mr. Anwar in jail, and visiting his wife. Mr. Mahathir has kept power for 17 years by banning newspapers, dismissing judges and purging opponents. He apparently thinks that he can buy himself a few more years with another purge. But this time it may have made his country, and parts of the region, more restless for change.

—THE NEW YORK TIMES.

Jefferson and Hemings

News of the DNA study linking America's third president and revered founding father to the son of one of his slaves comes as a jolt to some historians. Genetic testing of blood samples collected from known descendants of Thomas Jefferson and descendants of his slave, Sally Hemings, all but conclusively proves that he fathered her youngest son, Eston. If the results hold up, one of history's most enduring rumors — usually dismissed as defamatory legend and a "moral impossibility" by Jeffersonian scholars and his white descendants — is true.

But will this scientific evidence change Jefferson's place in history? Or should it? The words and ideas of Thomas Jefferson are no less eloquent, powerful or enlightened because new evidence shows him to be also every bit a man of his times. As with many of his fellow men, including presidential contemporaries, Thomas Jefferson engaged in the dehumanizing practice of enslaving other human beings. Now it appears that Thomas Jefferson, who regarded blacks as physically and intellectually inferior, and who expressed an aversion to racial "mixing," had a private sexual relationship with an inherited young slave girl. That, too, puts him in the company of other 19th century men who, like him, denounced "miscegenation," all the while taking advantage of their female slaves.

Whether Sally Hemings was reduced to being exploited sexually or treated as a mistress in a companionate relationship, she eventually produced one of Thomas Jefferson's children out of wedlock. That he never publicly owned up to their relationship or offspring is a testament to the mores of plantation society, and to the taboos and hypocrisies of his time.

The contradiction between the father of liberty, whose words publicly proclaimed that all men are created equal, and the patriarch whose deeds supported the denigration of people on the basis of their skin color mirrors the abiding tension between the American creed and the reality of America's sometimes halting and convulsive race relations. But one does not cancel out the other. The story of Thomas Jefferson and Sally Hemings is an American parable from which larger lessons about the nation may be drawn.

—THE WASHINGTON POST.

Other Comment

Disorder in the Family

At the outset of the Gulf War the New York Post carried on its front page a news photo of a young woman in full military regalia planting a farewell kiss on the brow of an infant held in the arms of its father. That photo was about the nuttiness that has overtaken all too many American families. For the household in which "the sexual differentiation of roles" has grown so blurry that you can't tell the soldier from the baby-tender without a scorecard is a place of profound disorder. No baby or little kid who is hungry or frightened ever calls for his daddy in the middle of the night.

— Midge Decter, as quoted in The Washington Post.

Herald INTERNATIONAL Tribune
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Tel.: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38.
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S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

The Purpose in Iraq Should Be Ousting Saddam

By Jim Hoagland

WASHINGTON — The Thirty Years' War that Saddam Hussein and his Takriti clan have waged with cunning and cruelty against all comers is at its core a struggle to control Iraq and its oil. This is the clue to defeating Saddam that is hidden in plain sight.

The long-term American failure to examine and understand Saddam's history and mentality so as to forge an effective strategy against him is once more on display: The Clinton administration moves reluctantly back toward war footing on an issue of the Iraqi dictator's choosing, at a time of his choosing, for purposes that Washington does not even see.

The issue, access by United Nations weapons inspectors, is one that Saddam manipulates with ease against a befuddled administration. He has ultimate physical control of the inspections. Convulsing the Security Council in divisive debate over UN access concentrates his struggle with Washington in the international arena, where Saddam has important allies, and helps fence off his domestic struggle from greater American intervention.

These periodic confrontations also focus international attention on economic sanctions and the pain they have inflicted on Iraq's civilian population for seven gruesome years. That, too, is a net gain for Saddam. He again breaks through a status quo in which Iraq's agony gets little attention from the world media or the Security Council.

Like his other foreign adversaries, the weapons inspectors are pawns in Saddam's chess game of survival and domination at home. Having used assassination and civil strife to gain power in Baghdad, he uses these instruments to keep control over an ethnically and religiously fragmented country that is held together today only by terror.

Saddam and his brutal lieutenants wage war abroad to wage war better at home. Since his wing of the Ba'ath Party seized power in July 1968, Saddam has repeatedly used force abroad to get funds and matériel to carry out campaigns of extinction against Iraq's Kurds, Shiites and dissident Sunnis, and to prevent other nations from aiding his domestic foes.

No bigger ideology was involved in his wars against Iran, Kuwait, Israel and the United States. The most bloodthirsty opportunism that the modern Middle East has known — a breathtaking standard — has led Saddam from radical Arab nationalism to professions of Islamic fundamentalism as need arises. He has channeled Iraq's oil wealth not into economic development but into a network of facilities to produce chemical, biological and nuclear weapons that he now seeks to protect at all costs.

Saddam is delighted to be able to plunge Washington periodically into diplomatic bickering with France and Russia over inspections and demands for light at the end of the sanctions tunnel. The halts in weapons inspections distract the Clinton administration from what should be more serious attempts to deal with Saddam as the international war criminal and self-avowed enemy of the United States that he is.

Poorly served by State Department, CIA and other advisers more intent on protecting vested interests in the Arab world than on taking the risks needed to bring a more democratic and friendly regime to power in Baghdad, Bill Clinton has permitted the pillars of local opposition to Saddam to be completely eroded in the past five years.

The administration compounds the problem by surveying the damage that its inaction and inconsistency have wrought in northern Iraq and elsewhere and blaming the victims. Clinton officials and spokesmen have repeatedly cast doubt in recent weeks on the effectiveness of an Iraqi opposition that they have refused to support seriously.

The Iraq Liberation Act, conceived and steered through Congress by concerned Republican Senate and House staffers and signed into law by President Clinton on Oct. 31, can help repair that damage if President Clinton makes wise use of it. It authorizes, but does not mandate, U.S. weapons supplies to help Iraqis resist Saddam's constant war on them.

The immediate military impact of weapons supplies to the opposition will be very limited in the best of circumstances. The importance of the act lies in the political signal that using it will send. That will tell the world that the United States actively supports the right of the Iraqi people to organize and defend themselves against the world's most ostracized regime. It will put the United States on the side of those who would end Saddam's international wars by ending the permanent war he has declared at home.

That has to be the American purpose in Iraq, not the open-ended maintenance of international sanctions and arms control regimes that Saddam can bend to his unholy purposes.

The Washington Post.

A Welcome Trend Toward Enforcing International Law

By William Pfaff

PARIS — A problem with international law is that it is not law. A theory of international law has existed since the 17th century, but what passes for international law is a collection of conventions and treaty agreements. It is not law as such, since law usually is taken to imply a sovereign international authority to proclaim and enforce it. The United Nations is not a sovereignty.

However, in the last few years a body of argument and precedent has developed that would substitute for a single sovereignty the consensual action of democracies to enforce international decency. The Pinochet case is the latest example of this.

The notion of crimes against humanity and war crimes is a product of common sense, but easily finds philosophical and historical authority in classic notions of justice and rights (the Greek view that rendering to others their "due" is the foundation of political justice), in God's commandments as recorded in the Pentateuch ("Thou shalt not kill"), as in other religious traditions, and in modern Enlightenment thought.

All can be taken as implying that a universal "law" exists, as Antigone says in Sophocles's "Oedipus at Colonus" — "unwritten laws which live always and forever, and no man knows from where they have arisen."

The idea of universal jurisdiction follows.

It is an idea which has already found application. Germany and Denmark have tried and convicted war criminals from the Bosnian war. Israel tried and hanged Adolf Eichmann. The appeal chamber of the Hague War Crimes Tribunal ruled last year that war crimes committed during civil struggles, such as in Chile during the Pinochet dictatorship, are subject to international jurisdiction and trial.

These notions lie behind the attempt by Spanish justice to extradite and try Augusto Pinochet for crimes committed in Chile during the years of his dictatorship there.

At this writing, the Law Lords in London have not decided the general's standing in British law. If they sustain the previous London ruling that he is illegally held in Britain, and he goes free, the repercussions will nonetheless influence the further evolution of this international effort to punish and thereby prevent war crimes and crimes against humanity.

This campaign is one aspect of a larger contemporary attack on sovereign impunity. This includes the assertion that a right to humanitarian intervention exists when mass suffering has been provoked, and in the last few weeks, NATO's intervention in Kosovo.

Kosovo is part of Serbia, and under the traditional view no outside power has the right to inject itself into how the Serbian government conducts its internal affairs.

Richard Holbrooke himself has called the NATO action a precedent — "the first time in history that a military organization claimed the right of military intervention in a sovereign country to protect the population of that country against its own leaders."

Interference in sovereign nations is a weighty matter which can do much harm as well as good. The most sensible objection to General Pinochet's trial in a foreign country is that the Chileans themselves have chosen not to try him.

In South Africa, the Truth and Reconciliation Commission has just presented its conclusions. Various efforts have been made in former Communist countries to confront the past peacefully, in an effort to pass beyond the conflicts that had divided the country. The intention has been to prevent past divisions from festering and producing new eruptions of conflict that could undermine new democracies.

In the Chilean case, there has been no confrontation with the injustices of the past because the army forbade it. General Pinochet's grant of immunity in his own country was the army's price for permitting a resumption of democratic government.

It seems to me that attempts to enlarge the international community's agreement on what constitutes unacceptable behavior, and to establish new international conventions for dealing with crimes, enforced by a consensus of democratic nations, are original and valuable.

The international "law" that now exists is a compilation over time of individual as well as collective initiatives, sometimes agreed upon and sometimes imposed by the most powerful nation or nations. That is the way the slave trade was ended; Britain acted unilaterally, and other nations eventually fell into line.

Antigone's unwritten law slowly found expression then, as it is finding a new articulation today.

International Herald Tribune.
Los Angeles Times Syndicate.

Bad Banking News for Despots and Drug Traffickers

By Walter Russell Mead

NEW YORK — On Oct. 20 a posse of Swiss banking officials froze $114.4 million in bank accounts linked to Raúl Salinas, brother of Mexico's former President Carlos Salinas. After a three-year investigation, Swiss officials allege that the former first brother essentially controlled the vast Mexican cocaine-smuggling industry during his brother's six-year term of office.

Facing relentless pressure from governments around the world and aroused public opinion, Swiss banks and offshore banks everywhere are gradually abandoning the concept of secret banking. This was inevitable once the Holocaust banking scandals broke.

The only real moral justification for secret banking is that it protects innocent victims, like the German Jews, from tyrannical and confiscatory governments, like the Nazis. But when Swiss banks used every trick in the book to avoid repaying Holocaust survivors and their heirs after the war, while fighting hard to protect the assets of Nazis, drug lords and various unsavory Third World dictators, a worldwide wave of moral revulsion forced the banks to rethink their approach.

The Holocaust scandal eroded public trust in bank secrecy laws, accelerating a process already under way. To understand the erosion of Swiss banking secrecy, we have to go back to the end of Philippine President Ferdinand Marcos's regime in 1986.

The "people power" government of Corazon Aquino, who replaced Mr. Marcos, did something that shocked the comfortable world of international banking: It sued the Marcos family to get back assets that the dictator had allegedly looted, and demanded that Swiss banks freeze the Marcos accounts. The Filipinos ultimately arranged for the return of approximately $400 million to the Philippine treasury.

Subsequent to the Marcos case, Switzerland passed a law limiting bank secrecy and making it easier for foreign countries to pursue claims against fraudulent asset holders. The Swiss also outlawed the practice of money laundering. After a recent set of reforms, Swiss banks can no longer take "no questions asked" deposits of briefcases filled with $100 bills.

That dictators don't trust the banks is clearer all the time. When Mobutu Sese Seko left Zaire last year, instead of the tens of billions that investigators expected to find in Switzerland, the Wall Street Journal reported that they could trace only a measly $3.4 million.

That does not mean that money laundering has disappeared. No doubt Mr. Mobutu took steps to safeguard his wealth from prying eyes. And Russian gangsters seem to have done a rather good job getting money out of the country.

Still, the new sense of discipline and order in international banking has had a chilling effect. It is now clear that the Swiss banks, and indeed all offshore havens where nervous depositors could hide money from tyrants or national income tax authorities, must adjust to a new public mood. The world's people do not like bankers who act as allies of tyrants and drug lords, and governments do not like seeing their citizens evade taxes with the connivance of unscrupulous bankers.

All this flies in the face of the conventional wisdom that financial globalization is undermining the power of national governments. With trillions of dollars hurtling through cyberspace every day, say many pundits, national governments can no longer track assets and collect taxes. The wealthy can hide their assets in the Cayman Islands or Switzerland, and drug kingpins and other bad guys can operate with impunity, and governments will be powerless.

Well, no. What the conventional wisdom misses is another trend: the growing effectiveness of international cooperation to police the global financial market. As governments wake up to the threat that unregulated secret banking poses to their ability to police their borders and tax their citizens, they are pressuring countries like Switzerland to adopt more transparent banking laws.

The current international financial crisis will result in even tighter policing of the international banking system.

The growth of global capital markets means that the health of Western banking systems depends in part on the transparency and honesty of bankers in the developing world. We can now look forward to intense pressure from the IMF, Western governments and Western central banks to ensure that countries around the world adopt more uniform bank laws, with strict and regular inspections by auditors and banking authorities.

The writer is the senior fellow for U.S. foreign policy at the Council on Foreign Relations. He contributed this comment to the Los Angeles Times.

Blair Hasn't Replaced Liberals

By Fritz Bolkestein

THE HAGUE — First there was Marxism, and then Thatcherism. Now comes the irresistible rise of Tony Blair, who calls his well-publicized approach a "Third Way." Is his Third Way merely a road to electoral success, or does it have new ideas to offer?

Macroeconomic stability, independent citizens, priority for education and infrastructure, the promotion of private enterprise — all this may have been taken from liberal election programs.

In passing, Prime Minister Blair says good-bye to Keynes and therefore also to Oskar Lafontaine in Germany. And in his enthusiasm for globalization, he distances himself from another fellow socialist, Lionel Jospin in France.

While it is hardly revolutionary, one must welcome Mr. Blair's reform of British social democracy. But he attempts to give the idea a wider meaning by "uniting the two great streams of left-of-center thought — democratic socialism and liberalism — whose divorce this century did so much to weaken progressive politics across the West."

Liberalism, European-style, has offered for most of this century a coherent and usually centrist alternative to both socialism and conservatism. But it is not the "way" that Mr. Blair is after. His Third Way is a set of ideas defined by what they are not.

It offers a description of what liberals and social democrats today have in common. Indeed, in the Netherlands the pragmatic cooperation of liberals and socialists in the government coalition works fine, but it is hardly the birth of a new political philosophy.

True to socialist form, Mr. Blair talks down to us. In his benevolence he "enables" people, but in his patronizing state they are not genuinely set free. In this respect the Third Way bears similarities to Christian Democracy.

Mr. Blair's ideas are fashionably "free from outdated ideology." Sure enough, no one wants dogmatism. But to replace ideology — that is, a coherent set of values and principles — with naked pragmatism, even if it is benevolent and "center-left," is to take a slippery road that in the long run diminishes rather than increases public confidence in pluralist liberal democracy.

While many a liberal would welcome his ideas, these do not form a liberal vision. Lacking are thoughts on freedom of information, on limiting regulations and bureaucracy, and on small and medium-sized businesses. Thoughts on public institutions and on welfare systems that are as locally administered as possible. Or thoughts on the market as a good mechanism not only because it works more efficiently but also because it provides the best opportunity for an independent life.

Mr. Blair has thus far discussed the matter mostly with his socialist prime ministerial colleagues, albeit with limited resonance. His audience is well-chosen. In the Socialist International, he sits at the same table with such less reformed socialists as the Nicaraguan Daniel Ortega and Senegal's Abdou Diouf.

The impression is inescapable that socialists have lost their compass. Their confusion arises from differences of view among social democratic parties as well as within them.

Liberals, the divorce from whom he laments, have not been invited so far. Nor perhaps should they be. Mr. Blair's project is to exorcise the ghosts from a British Labour past. Why would the whole world join in?

We wish Mr. Blair well as a therapist of social democracy. If he truly believes that his ideas add up to more than that, I shall be delighted to welcome him at a Liberal International event to discuss where our paths meet. Until then, I remain not quite convinced.

The writer, a member of Parliament in the Netherlands and a former cabinet member, is president of Liberal International, the world union of Liberal parties. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Hostile China

PEKING — There is a movement of troops in the neighborhood of the capital. Kang-Yi, a Manchu, holding ultra-Conservative and bitterly anti-foreign views, obtained great influence in the counsels of the Empress-Dowager. He suggested the recent edict re-establishing bow and arrow exercise for Chinese troops. Yuan-Shi-Kai, the commander of the foreign drilled troops, has received a grant of money for increasing his division by 3,000 men. Should this be true, it would show that far from fearing a hostile movement on the part of this commander, the Empress-Dowager is convinced of his loyalty.

1923: Celibacy Vow

COPENHAGEN — Young men aspiring to riches through banking careers must take a vow of celibacy. This pledge, modelled on the decree of Pope Gregory VII, in 1075, has been adopted by Danish bankers following upon numerous cases of riotous living by employés who are sought as husbands by flaxen-haired girls of romantic visions. According to the edict, clerks are forbidden to marry until they have salaries of 4,000 crowns which the average clerk reaches after fourteen years of service.

1948: Nobel for Eliot

STOCKHOLM — The Swedish Academy decided to give this year's Nobel Prize of literature to the British author T. S. Eliot "for his remarkable pioneering work in modern poetry." To the present generation of writers Mr. Eliot has been of great importance, particularly by his experiments in style. His writings "have brought about a revolution of the poetic means of expression," according to one of his Swedish

OPINION/LETTERS

Voters' Message to Pols: Get Back to Your Work

By David M. Shribman

BOSTON — From seacoast to seacoast, across the prairies and mountains, American voters expressed their general satisfaction with the economy, their leadership and the division of power in Washington.

But within that verdict came a subtle but sobering message for Republican congressional leaders: An electorate inclined to retain the status quo in Congress apparently also prefers the status quo in the White House.

The message from the voters was almost unmistakable. Casting ballots in hundreds of separate, idiosyncratic and locally oriented political races, they made little change in the political lineup and, by doing so, they urged the politicians they elected to do the same.

In any other year, that would mean almost nothing. This year it means almost everything.

With the House Judiciary Committee less than two weeks from beginning formal impeachment hearings against President Bill Clinton, the voters failed to give the Republicans a boost in Congress that would stand as an endorsement of their drive toward impeachment.

Indeed, even as they kept the Republicans in power in the House, the voters may have substantially reduced the party's clout.

The voters gave the Republicans their third consecutive majority on Capitol Hill, but they denied the party leadership any signal that the public wants Congress to exercise the most forbidding power the founders provided the legislative branch: the ability to change the leadership of the executive branch.

While the president has been assailed, ridiculed, investigated and brought to the edge of impeachment, the public has struggled to have its viewpoint pierce the Washington din. On Tuesday, it spoke in the only way that politicians cannot avoid, producing relief in the White House and consternation in the Republican congressional leadership.

Indeed, interviews with voters leaving polling places produced no patterns but one: Though the public believes that Mr. Clinton's ability to lead has been impaired by the White House sex scandal, it still supports the president and it still opposes his impeachment.

By voting to leave Washington basically unchanged, the voters also are raising the prospect of two more years of bitter struggle between Capitol Hill and the White House on areas outside of impeachment, including important questions of taxation and spending at a time when the budget is in the black.

The voters' preference — perhaps even their passion — for the status quo produced the ultimate political conundrum for the Republicans who control both Congress and, ultimately, the destiny of the president. The voters delivered almost every incumbent another term and another chance to do just what the voters do not want them to do: impeach the president and bring him to trial in the Senate.

Now the Republicans face an important calculation: Do they press forward with an unpopular attack against a popular president? Do they search for a middle ground solution, such as a congressional censure or reprimand? Do they risk the opportunity to press for Republican Party priorities such as a tax cut or further restrictions on abortion by pressing forward with impeachment anyway?

Moreover, in polling stations around the United States, the voters did more than simply signal that the Republicans were off course; they also signaled that the Washington establishment and the media were off course.

Since mid-January, the investigation of the president's relationship with Monica Lewinsky has dominated the discussion in Washington and the coverage of the capital. More than half the voters, according to surveys taken by the Voter News Service, said that the Clinton scandal was not a factor in their choices.

But Mr. Clinton is a factor in Washington, despite his troubles, despite the Democrats' minority status on Capitol Hill, and despite the fact that he soon will be in his seventh year in office, when power almost always seeps away from the White House.

The results of this election may be muddled, but the message to the president, who was not on the ballot, and to members of Congress, who were, is clear. Carry on. And get beyond the Lewinsky scandal.

The Boston Globe.

LETTERS TO THE EDITOR

Asia's Military Budget

Regarding "Asian Military Spending: A Casualty of Bad Times" (Oct. 23):

For arms control advocates like myself, the plunge in East Asian military spending is one positive side effect of the devastating economic crisis in the region. After the Cold War, global spending on arms decreased markedly, but military expenditure kept rising in East Asia. In 1997, its military spending was $106 billion, up from $90.6 billion in 1990 — a staggering amount for a region in which many people live in abject poverty.

The defense cuts resulting from currency depreciation in Indonesia, Thailand, Malaysia, South Korea and Japan are not just hurting these East Asian nations. Arms manufacturers in Russia, France, Britain and the United States are also feeling the heat as arms deals are curtailed, delayed and even canceled.

This is not necessarily a bad thing. Perhaps the Asian financial crisis and the resulting decrease in regional defense spending will cause the major global arms exporters to re-evaluate their policy of aggressive promotion, particularly to less developed countries.

Perhaps, also, the Association of South East Asian Nations and other regional security structures will seek to achieve genuine security through strategies other than weapons procurement. These might include requirements for greater budget transparency; mutual force reductions along the lines of the Treaty on Conventional Armed Forces in Europe; and regional controls on arms transfers.

JORDANA FRIEDMAN.
London.

The writer is director of the International Security Program at the Council on Economic Priorities.

A Misdirected Left

Regarding "On the Left: From Ideology to Problem-Solving" (Opinion, Oct. 22) by William Pfaff:

I beg to disagree with Mr. Pfaff. First, the European left has never really abandoned ideology, even if its behavior, with the help of skillful spin doctors and image consultants, gives the impression it has acquired a bourgeois attitude.

Second, its adoption of formerly center-right, conservative policies makes the European left look distinctly opportunistic.

Seemingly abandoning ideology is worse than changing it because it undermines credibility — and that goes for the European right, the new opposition, as well as for the governing left. Pragmatism is not a substitute for ideology and it is not the only yardstick by which to measure post-Cold War politics.

KARL H. PAGAC.
Villeneuve-Loubet, France.

A Solution for Salinas

Raúl Salinas, brother of the former Mexican president, and his attorneys said that the investigation by the Swiss attorney general, Carla Del Ponte (*"Swiss Confiscate Salinas Money," Oct. 21*), is based on false accusations and testimony of convicted criminals seeking shorter prison sentences.

Should this be true, Mr. Salinas's attorneys have only to submit the transactions, contracts, accounting books and receipts from payment of taxes that any legitimate business keeps, and their client will be free without delay.

What are they waiting for?

EDUARDO SCHAMESOHN.
Annemasse, France.

On French Missiles

If France was "the only country in Europe that built intercontinental missiles during the Cold War," (*"Rocket Launch Keeps Europe Alive in Space," Oct. 22*) why did we Americans worry so much about the Russians?

STANLEY B. ALPEN.
Villefranche-sur-Mer, France.

Hollywood's Youth Culture Is Pathologically Childish

By Frank Rich

NEW YORK — At last there's a liar we can all root for.

Her name is Riley Weston — though she was born Kimberlee Kramer — and last month she was pilloried in the fiercely moral town of Hollywood, where she is a TV actress and writer. Her crime: having gulled her producers, agents and lawyers into believing she was 19 when in fact she turns out to be an old lady of 32.

Ms. Weston, who has the acting ability and looks to play a teenager, had pulled her ruse to land a

MEANWHILE

role most recently on "Felicity," the heavily promoted would-be "Ally McBeal" of the new season, and then to get writing assignments for it and other TV projects. Now she twists in the wind.

Touchstone, the Disney division that lately signed her to a $300,000 writing contract, is considering dumping Ms. Weston — surely not because she has suddenly lost her writing talent. Her real sin may have been to make TV executives look like fools who, as Newsweek put it, "wouldn't know a real teenager if one walked in the door."

When I spoke to Ms. Weston last month, she said she "felt terrible" about hurting the feelings of those she duped. But she added unapologetically: "I lied to get an acting job — to get my foot in the door. That's it."

As she reached her late 20s — she has been acting on U.S. network television for almost a decade — she found that casting agents would not even allow her to audition for teenage roles she knew she could play. So she changed her name, dropped old credits from her résumé and reinvented herself, as actors of both sexes have done since the dawn of show biz.

Also like her predecessors, she found that shrewd self-marketing ignited the hype of show-biz journalism: Entertainment Weekly, more correctly than it may have foreseen, put her on this summer's "It List" of the 100 most creative people in entertainment.

Why, then, is Ms. Weston vilified for an age-old "crime"? One producer says she is resented for having successfully dropped so many years from her age, rather than the standard few. But her real offense may be to have focused attention, however inadvertently, on the accelerating pathology of Hollywood's perennial worship of youth, especially female youth — and its fallout into the culture imbibed by us all.

It is pandering to teenagers and the barely adult, the holiest demographic, that has increasingly led studios to match male stars nearing or over 60, from Harrison Ford to Warren Beatty, with nearly intern-age love interests from Anne Heche to Halle Berry, in every romance-minded movie.

"By their early 30s women are passé, unless they're Meryl Streep," one female producer said. Or as a line famously had it in "The First Wives Club," there are only three ages for women in Hollywood: "babe, district attorney and 'Driving Miss Daisy.'"

That this obsession would affect not just on-camera Hollywood players but also those off camera is the unsavory recent evolution dragged into the light by Ms. Weston's hoax. Though it is hard to imagine a producer insisting that only elderly writers write elderly characters or only black writers write blacks, Ms. Weston discovered that casting-couch youthfulness, not just her talent, could bring her writing as well as acting gigs on "young" projects. Were she 32, she might not get a meeting with middle-aged TV executives panting for the next hot young voice.

Larry Gelbart — co-author of "Tootsie," the movie about an actor who makes himself into a woman to land a TV role — knows colleagues who will not list their credits from his classic series "M*A*S*H" on their résumés "because it dates them" in an industry where "inexperience is a prized asset."

He finds the hypocritical self-righteousness attending Ms. Weston's case laughable. "Everyone here lies about everything," he said. "They have their faces changed. They have their photos airbrushed. They lie about their last salaries." He wonders if Ms. Weston "is dying for all our lies."

That remains to be seen. In the meantime, her last performance as a teenager will be seen Nov. 17 on "Felicity." After that, she will suffer what in Hollywood is a fate worse than death — middle age.

The New York Times.

TribTech

Energy-Saving Power Lines of the Future Finally to Make Debut

By Malcolm W. Browne
New York Times Service

NEW YORK — After 87 years of alternating exuberance and disappointment, and a decade after a famous conclave of physicists at which the key to success seemed to be within reach, the world's first superconducting power line is about to become a reality.

A superconducting line is one that will conduct huge electrical currents with far less resistance than that of a line made of metal wire, and which therefore conserves energy.

The first large-capacity superconducting line, to begin operation by mid-2000 in Detroit, will be only 400 feet long (122 meters). But it will use only 250 pounds (112.5 kilograms) of a new kind of superconducting wire to carry as much current as the 18,000 pounds of copper wire the line will replace.

Experts say the line will demonstrate the practicability of large-scale superconducting power transmission and will be the first of many such lines. In announcing a contract providing for federal support for the project, Energy Secretary Bill Richardson said last month that power lines such as this one, exploiting the special properties of "high-temperature superconductors," could eventually save $6 billion a year in the United States.

Another benefit is that the electricity industry could sharply reduce the pollution created by power plants.

Lengths of the same superconducting cable up to 50 yards (45.5 meters) long have already been successfully tested, said Paul Grant, an expert in superconductivity at the Electric Power Research Institute in Palo Alto, California.

The new power line will be built by a consortium that includes American Superconductor Co. of Westborough, Massachusetts, which will supply superconducting wire; Pirelli Cables & Systems of Milan, which will assemble the wire into a power line; Lotepro Corp. of Valhalla, New York, which will supply refrigeration equipment to keep liquid nitrogen circulating through the line, and the Electric Power Research Institute.

The cost of the line, intended to serve an urban redevelopment project in Detroit, is estimated to be $5.5 million, $2.75 million of which will be paid by the Department of Energy.

Superconductivity was discovered in 1911 by a Dutch physicist, Haike Kamerlingh Onnes, when he used liquid helium at an extremely low temperature to chill metallic mercury. He found that at that temperature, mercury lost all resistance to electric current.

The physics of superconductivity is complex, and despite the success of at least one theory, some questions remain.

In general, a superconductor undergoes changes when sufficiently cooled that affect its "conduction electrons," the normally free electrons that wander through a metal and can carry an electric current.

A superconducting line will be able to conduct huge electrical currents with far less resistance than a line made of metal wire, so it will conserve energy and create much less pollution.

In the simplest type of superconductivity, these electrons condense into pairs that are correlated with each other; the result is a kind of electronic fluid that is able to conduct electricity without resistance.

Many metals were found to become superconductors when chilled with liquid helium, but liquid helium is too expensive and difficult to keep cold to be a practical coolant for large-scale superconducting power transmission.

DESPITE THIS, inventors have envisioned giant superconducting storage rings that could provide huge amounts of power instantaneously to city power grids, or to power military beam weapons for use against ballistic missiles. Visionaries also sketched designs for magnetically levitated trains riding on fields generated by superconducting magnets.

But of all the possibilities, the one that beckoned most seductively was the dream of a superconducting power line — one that could reduce transmission losses to practically zero, saving huge amounts of otherwise wasted energy.

Since 1911, several superconducting alloys, especially those based on the metal niobium, have found applications in superconducting magnets that are used for clinical diagnosis and in machines that accelerate subnuclear particles for scientific investigations of the nature of matter.

But hopes for building a superconducting power line remained unfulfilled. The main problem is that liquid helium is expensive and has to be constantly cooled by powerful refrigerators as it boils away.

Engineers wished for some material that would become superconductive at much higher temperatures than that of liquid helium, perhaps even room temperature, or at least at the temperature of liquid nitrogen, far below the freezing point. Scientists had all but given up hope of finding such a substance, but in 1986, two physicists working at the Zurich Research Laboratory of International Business Machines Corp. in Switzerland, Georg Bednorz and K. Alex Muller, made a momentous discovery, for which they were awarded a Nobel Prize a year later. They found that a new class of compounds called copper-oxide perovskites (incorporating thin layers of copper and oxygen atoms) became superconductive at temperatures well above that of liquid nitrogen.

Within weeks of their discovery, scores of other scientists turned up independent evidence of high-temperature superconductivity, and on the night of March 18, 1987, physicists packed a New York hotel for a conference later dubbed the "Woodstock of Physics." At the meeting, scientists presented 51 reports of new superconductivity experiments, and riotous optimism dominated the proceedings.

But experimenters soon realized that copper oxide perovskites had a long way to go before they could be used for transmitting large electric currents. In some formulations, large currents destroyed superconductivity. It was also found that many high-temperature superconductors were so brittle that they could not be bent or fabricated into wire without breaking.

Another problem was "creep." In high-temperature superconductors, the current they carry induces a magnetic field outside them. This field then penetrates the superconductor as a lattice of "vortex lines" that define the superconductor's electronic behavior.

As long as these lattices remain fixed in place (or "pinned," as scientists call it), superconductivity is maintained. But if the lattices creep out of place, superconductivity ceases.

Solving these problems took theoretical and experimental research that spanned a decade after the 1986 "Woodstock." But as the euphoria faded, real progress ensued.

American Superconductor drew technology from many sources, acquiring dozens of patents and licenses that finally enabled the company to produce a superconducting material suitable for a power line.

John Howe, a vice president of the company, identified the superconductor it is using for the Detroit line as BSCCO-2223, a finely powdered mixture of bismuth, strontium, calcium and copper oxide, to which a dash of lead is added. The numbers in the formula denote the proportions of the elements in the compound.

"We buy the powders commercially, mix them, pack them into silver tubes and then extrude the tubes through dies to make microfilaments containing the superconductor," Mr. Howe said. "Then we bundle the filaments into wires, which we send to Pirelli for fabrication into cables."

The Pirelli company winds the wires helically around a channel in which the cold liquid nitrogen flows, then encases the superconducting wire with layers of thermal and electrical insulation.

FOR THE Detroit project, Pirelli expects to manufacture the line in Italy.

The resulting line does not eliminate electrical resistance completely, Mr. Howe said.

Where one fiber is in contact with another, the superconductive electric current is interrupted. It must take the form of ordinary current as it passes through the silver cladding enclosing the BSCCO (pronounced "bisco") superconductor, since the silver cladding is not a superconductor. Still, he said, the capacity of the line will be three times that of a copper line.

Nine of the present small copper power lines connecting a key transformer station with the distribution grid in Detroit will be replaced by three superconducting lines chilled with liquid nitrogen circulating through the cable cores.

One of the advantages of this, Mr. Howe said, is that dispersing the waste heat produced by a power line is a much less serious problem for a superconducting line than for a conventional copper line. This means that trenches dug for new lines can be narrower than those for ordinary conductors, and this will reduce the right of way utility companies must acquire.

Each superconducting four-inch (10.16-centimeter) cable will carry 2,400 amps of current at 2,400 volts.

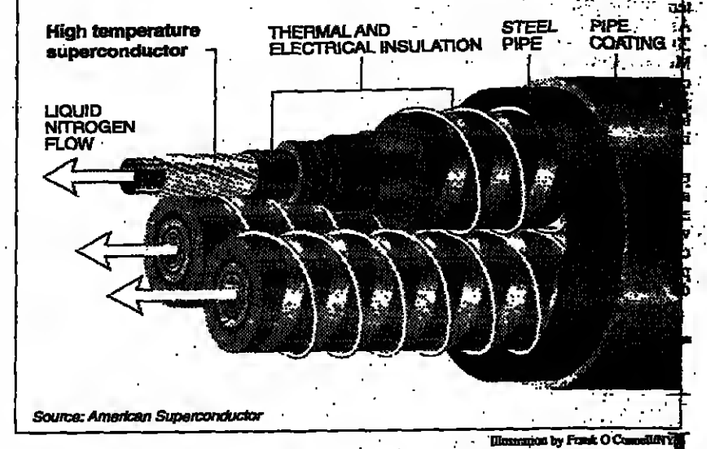
Mr. Grant of the Electric Power Research Institute, who spent most of his career at IBM as a solid-state physicist, said that it might be a long time before such lines were used over long distances. But superconductors can greatly reduce power bottlenecks within congested cities, he said.

A major use that may come soon will be in transformers, Mr. Grant predicted. A superconducting transformer would contain no oil to catch fire or to spill and cause toxic pollution and would be a boon to utilities. Once again, optimism pervades the community of scientists and engineers working on applications of superconductivity.

The contract to build the new Detroit power line, Mr. Richardson said, opens "the gateway to the electricity superhighway of the future" that will "transform the power delivery systems of the world."

Cool and Efficient

Breakthroughs in high temperature superconductivity have led to the development of power lines that are two to five times more efficient than conventional copper lines. The increase in efficiency is achieved by passing the current through a low-resistance conductor which is cooled to minus 320 degrees Fahrenheit through the use of liquid nitrogen.



Source: American Superconductor

Illustration by Frank O'Connell/IHT

SITES

More information about American Superconductor Co. can be found at: *www.amsuper.com*

The U.S. Department of Energy's site on superconductivity can be found at: *www.eren.doe.gov/superconductivity*

TribTech

Net Traffic in Asia: Where Every Line Is a Detour

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — It remains a peculiar fact about the Internet that an electronic mail message sent from Thailand to the Philippines will likely zip across the Pacific Ocean and back instead of crossing the South China Sea separating the two countries.

The Internet remains heavily dominated by the United States, both in terms of infrastructure and content. For Asian Internet users — there are about 20 million of them, according to Access Media International, a Tokyo-based consultancy — this means intra-region links are much slower than they could be if Internet traffic flowed directly in between countries.

The consequences are obvious: Two people in neighboring Asian countries using an Internet telephone service, for example, experience longer delays when the data carrying their voices cross the Pacific. Other computer applications, Internet experts say, simply do not support the trans-Pacific delay.

"If your e-mail goes to the U.S. first and then comes back to Japan, isn't it more reasonable to go straight to Japan?" asks Izumi Aizu, a Japanese expatriate in Kuala Lumpur who is head of Asia Network Research Sdn. and secretary-general of the Asia & Pacific Internet Association.

Several years ago plans emerged to do just that — build an Asian "backbone," avoiding, where possible, the trip across the ocean.

One such project led by Asia Internet Holdings Co. of Japan and involving telecommunications companies from around the region was named the A-Bone. Other Asia-based companies formed the Asia Pacific Internet Community to reduce their reliance on the U.S. backbone.

BUT BUILDING a backbone involves huge investments in cables and switches, and as Asia's economic crisis has gone from bad to worse and telecommunications companies have tightened their belts, plans for an Asian backbone have faded.

Hong Kong Telecommunications Ltd., Chunghwa Telecom Co. and the Communications Aothority of Thailand have pulled out of the A-Bone project.

"Things haven't panned out," said Barry Raveendran Greene, a consulting engineer at Cisco Systems Inc. in Singapore.

A link between an Asian country and the United States is often cheaper than a link between two Asian countries. And the cost of sending data across the Pacific could fall over the next few years with the emergence of new technology that makes better use of existing capacity on undersea cables.

Geoff Huston, a technical manager at Australia's Telstra Corp., said: "The sad fact is, so far — at least for those people who would like to see more of a North-South axis here — that they have not managed to bring that equation into commercial reality."

Communications patterns often do not justify the direct links, he said. Telstra, for instance, has 30 times more capacity directed to the United States than it does to its neighbors on the Asian side of the Pacific.

"As the volumes of inter-Asian traffic increase, you'll see more capacity put up," he said. "Bnt yon won't see it put up and run idle. That's just a waste of money."

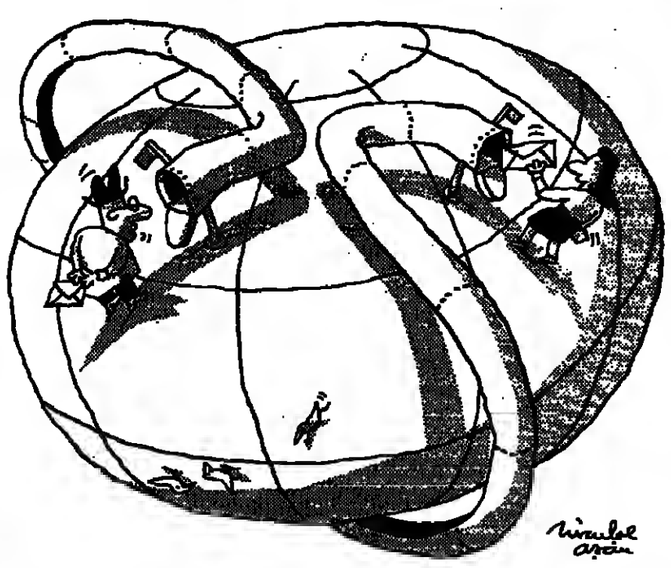
Regardless of what happens with plans for an Asian backbone, money is in short supply these days among the companies that provide Internet services in Asia, and that is likely to change the way Asians use the global network.

TO REDUCE the cost of linking to the outside world, Internet companies in Thailand and China now offer "domestic" services to their customers.

Under one program in China, customers have access only to China-based Web sites but can send e-mail anywhere around the world.

Although this trend seems to be driven by commercial concerns, domestic Internet networks would also be easier for governments to monitor — and censor. China and Singapore both carefully monitor Internet content and hlock sites they deem harmful.

Sending e-mail takes up very little "bandwidth," or telecommunications capacity, and thus costs less to the Internet companies than when customers access the World Wide Wcb.



Mr. Greene of Cisco says domestic Internet services makes sense for the region not only because of money problems faced by service providers. There is the issue of culture, too. The Internet may be able to unite the planet in terms of technology, but there are still old-fashioned language barriers.

"How much will a Singaporean who reads and speaks English want to converse with a Japanese who reads and speaks Japanese?" he asked.

ALT /Review

Building a Robot? Try It With Legos

Toymaker Devises Program to Make Automatons From Plastic Blocks

By Mike Musgrove
Washington Post Service

WASHINGTON — Playing with legos just got a little more interesting. Clicking bricks together is fun enough, but a new, pricey set from the Danish company Lego AS called MindStorms lets you build — and program! — your very own Lego robot using the same ubiquitous pieces of plastic that have been hiding under family sofas for generations.

The important pieces among the more than 700 in the box are the three new arrivals: the "RCX," a large, battery-powered computer to store and run programs; three input devices (two touch sensors and a light sensor); and two motors to pot a Lego construction into motion.

The easiest robots to build with this set are vehicles that use the light sensor to follow a trail or that bump off walls and redirect themselves. You write the programs on your computer using a Lego-brick-inspired interface; simply drag a brick from the command menu and "snap" a program together, hut fine-tuning can take hours. (Finally, I understand why software companies keep missing their deadlines.)

When yoo're finished, beam the program into the RCX with an included infrared connector that plugs into a serial port on your PC; the RCX brick can hold five programs at a time.

Creativity is encouraged.

Wisely, the software woo't let yoo start programming until you complete a reasonably comprehensive training program, encouraging you along with a robotic voice that tells you how "amazing" you are as you make progress. Although the manoal offers a few suggested hnilding projects, it doesn't show you how to finish them, in an effort to promote creativity. The MindStorms Web site *www.legomindstorms.com* also provides ongoing tutorials and tips and dowuloadable programs.

This product is a real brain workout; it's entirely possihle to lose yourself in a pile of Lego bricks trying to craft a clever mechanical device — or sitting at your computer trying to write a clever program. Either way, it's a learning experience, to be sure, and it's refreshing to see a toy that uses computers to enhance the fun but also promotes spending some time away from the monitor. As cliched as it sounds, you're really limited only hy your imagination — and the size of your Lego collection.

Lego MindStorms: Win 95, $200, ages 12 and up (Mac version due in early 1999).

Lego's new game combines using a computer and plastic bricks to build and program a variety of robots. The product is "a real brain workout."

Is Linux Microsoft's New Target?

By Hiawatha Bray
The Boston Globe

BOSTON — A leaked memorandum from a Microsoft Corp. engineer suggests that the famously competitive software company is girding for battle against the upstart Linux operating system.

The memo describes Linux as a "short/medinm-term threat" in the rich market for software that runs on computer servers. It speaks of "beating Linux" by stressing the product's drawbacks. It also suggests undercutting Linux's growing popularity hy adding enhanced features to Microsoft computer-networking products that compete with Linux.

Microsoft has confirmed that an engineer, Vinod Valloppillil, wrote the memo in August. It was posted late Sunday on the Internet by Eric Raymond, a well-known Linux software developer and industry gadfly.

Similar memos from Microsoft executives have formed a key part of the federal government's oogoing antitrust suit against the company.

Mr. Raymond said he did oot believe that any of the proposals in Mr. Valloppillil's memo were illegal. Bnt he said he saw them as proof that Microsoft was unwilling to coexist with Linux and other "open-source" software products based on universal software standards that Microsoft did not control.

"There's a fundamental opposition between the Microsoft way of doing things oo the one hand and the Internet, open-standards, open-source world on the other," Mr. Raymond said.

Bnt according to Microsoft's enterprise marketing group manager, Ed Mnth, the memo is just one man's opinion, not official Microsoft policy. "I think overall it's a good piece of work that does a thought-provoking job of raising the issues," Mr. Mnth said.

Open-source software such as Linux is usually available free of chargc. Just as important, open-source programs allow users to make modifications to the software by including a copy of the raw "source code" created by the program's designers; so users of open-source code can easily customize software.

Linux itself is largely composed of software created by the GNU Project, a volunteer group sponsored by the Free Software Foundation in Cambridge, Massachusetts. Supporters of open-source software say it is cheaper and more reliable than traditional programs made by companies such as Microsoft.

BRIEFLY

SAUDI INTERNET SERVICE: Saudi Arabia has approved a list of service providers as it prepares to open the Internet to the public, according to the official Saudi Press Agency.

It quoted a senior official in charge of the Internet as saying this week that he had completed authorization for 40 companies, in additioo to Saudi Telecommunications Co., to provide Internet service.

A marketing manager for one of the companies bidding said, however, that he expected that list to be further whittled down to 20 companies before public Internet service begins, possibly by the end of the year.

Service will be provided through a central "technology city," which will have so-called firewalls blocking certain sites deemed inappropriate by the authorities, officials said.

Currently, most people inside the kingdom wishing to access the Internet have to dial up to service providers in neighboring Gulf states, which also bar access to some Wcb sites. *(Reuters)*

ON-LINE IN INDIA: Prime Minister Atal Bihari Vajpayee of India has announced that his government will soon surrender its Internet monopoly and begin issuing licenses for private providers.

The long-awaited announcement was made this weekend at an information technology conference in the southern city of Bangalore, the computer capital of India, United News of India reported.

The government decided in September 1997 to throw open the Internet to private service providers, but the process had become stalled by bureaucratic problems. *(AP)*

CAPTIVE AUDIENCE: Believing that time spent in the bathroom should not go down the drain, two entrepreneurs in Columbus, Ohio, are installing computer screens above urinals so that men can have something to look at while heddling the call of nature.

The panels display sports scores and schedules, ticker-tape style, and advertising.

Sports Screen Advertising is the brainchild of Kyle Mullins, a former Intel Corp. and CompuServe Corp. sales executive, and a financial consultant, James Malcolm.

"Gnys don't look around when using urinals. And they sure don't talk to people," Mr. Mullins said. "They have to stand there and face straight ahead. They beg to look at something other than the porcelain." *(AFP)*

ME FIRST: On-line spending will rise to about $2.3 billion during the holiday season from $1.1 billioo a year ago, yet Internet merchants are failing to serve gift hnyers adequately, according to a markct research firm's report.

The firm, Jupiter Communications Inc. of New York, found that most people shopping on the Internet buy presents for themselves more often than for others. Fifty-nine percent of Internet users who shop on-line said that less than 10 percent of their purchases were gifts. Only 16 percent of on-line purchases are gift-related, Jupiter said.

Internet retailers are missing an opportunity to sell more goods to the customers they already serve because they have failed to encourage gift-buying through customization, such as wish lists, and have not set up technology to track on-line gift-buying behavior, said Nicole Vanderbilt, a Jupiter analyst.

"When yoo look at all the money these retailers are shelling out to get these customers, they better be sure they get their money's worth," Ms. Vanderbilt said.

Book and music retailers will be among the most popular sites for consumers during the holiday season, she said. Merchants selling clothes, toys and consumer electronics, goods that have oot previously sold well on the Internet, will do better this year, Ms. Vanderbilt predicted. *(Bloomberg)*

COMPUTER CRASH: A Russian-Ukrainian investigation commission has found that computer faults were responsible for the September crash of a Ukrainian-made Zenit-2 rocket, the rocket designers said this week.

"Two faults appeared in quick succession in the rocket's computer and caused the failure of Zenit's regulatory system and the crash of the booster," the design bureau NPO Yuzhnoye said in a statement. "The faults had a random character and were not a consequence of design or construction defects, or of incorrect operation."

It remains unclear whether the crash, which destroyed 12 communication satellites owned by Globalstar Telecommunications Ltd. of the United States, will jeopardize a contract for further launches of Globalstar equipment. *(Reuters)*

TECHNOLOGY INDEX

Technology stock indexes around the world:

North America	Tuesday close	Pct. change previous week	Pct. change, year to date
Pacific Exchange Tech	358.00	+5.42	+23.21
S&P Tech Composite	938.32	+9.76	+34.06
Europe			
Morgan Stanley Eurotec	531.87	+9.44	+38.07
Asia			
Topix Electric	1,386.62	−0.88	−15.66

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see TribTech on the IHT's World Wide Web site at http://www.iht.com. Articles include:

- With Small Antennas, New Company Takes On the Baby Bells, Oct. 29
- Internet Recording Device Survives Court Challenge, Oct. 29
- AOL Tells of Pressure by Microsoft, Oct.29
- Sprint Delays Wireless Unit's Offering, Oct.29
- WorldCom's Purchase of MCI Leads to Loss, Oct. 30
- BSkyB Profit Plunges as Digital TV Takes Off, Oct. 29 - Nov. 1
- In Video Clip, Gates Denies Allegations, Nov. 3
- Philips to Close as Many as One-Third of Its Plants, Nov. 3
- Dutch Telecom to Cut Staff by 3,000, Nov. 4
- Hyundai Electronics Ponders a Split-Up, Nov. 4

To reach TribTech editors or to comment on IHT tech coverage, send e-mail to tribtech@iht.com.
International Herald Tribune

From French High-Schoolers, a Fervent Plea: Help Us Work Harder!

By Craig R. Whitney
New York Times Service

CHELLES, France — Thousands of the 2.3 million high-school students in France plan to resume protests against poor study conditions with a demonstration in Paris on Thursday. But at the Lycee Gaston Bachelard in this eastern suburb of Paris, students are divided about how hard they should keep pushing.

"We've got some promises on paper," said Abdenbi Benammar, 20, a student leader, referring to promised remedies for shortages of professors and shortcomings in the curriculum made by the national Ministry of Education after last month's national protests. "But until we actually see changes made, we should keep up the pressure."

Sarah Devannes, a classmate, disagreed. "We achieved a lot of things," she said. "We got six teachers' assistants who'll be here in January, and if we continue the strike too long, we'll start losing support."

Discussions like this are going on in schools all over the country after a 10-day October vacation that followed some of the biggest school protests since 1995. Then, it was university students who were on strike, demanding better classrooms and study conditions, more teachers, smaller classes and curricula designed to help them compete for jobs in an economy where many graduates find no jobs waiting for them when they get out of school.

In France these days, with unemployment at 11.7 percent nationwide, high-school students are striking for the right to study harder to be better prepared for the job market.

Looking at the Lycee Bachelard, a casual visitor might wonder what there was to strike about. Four stories high, on a campus in a neighborhood of single-family houses and gardens next to a housing project, the school has big picture windows and wide, spotlessly clean corridors in four-story buildings organized around a central courtyard where students congregate during breaks.

Security would not seem to be an issue: Even in troubled neighborhoods, schools have no metal detectors at the door, because guns in France are strictly controlled.

"I've been in teaching for 19 years, and I've never seen a knife flashed in all that time, though I've worked in some pretty tough schools," said Daniel Bach, the principal at the Lycee Bachelard, where 2,000 students from all racial and ethnic groups prepare for the *bac*, or baccalaureate diploma, which qualifies them to study at university.

That openness, however, turns out to be one of the problems after all.

"Kids from the neighborhood can come in and sell hashish and other stuff," Mr. Benammar said. "We used to have draftees doing alternative service who helped with administrative work and ensured security, but the draft ended this year and we don't have them any more."

So one of the student demands, here as at other schools around the country, was for more supervisory personnel and better safety. The education minister, Claude Allegre, promised to increase school staffs with part-time students as part of the Socialist government's national youth employment program.

With unemployment at 11.7 percent, French students are striking for the right to study harder to be better prepared for the job market.

Another complaint of students here was academic schedules that had scheduled some of them right out of lunch, a problem Mr. Bach attributed to computer foul-ups that had since been solved. He discusses problems such as these regularly with student representatives.

Students commonly repeat years before passing the national examination thresholds to higher levels of education, and the examinations, particularly the bac, are so rigorous that there is little stigma attached to staying back a year or more to prepare for them.

"One of the strains on the system is that nowadays 60 to 65 percent of all students want to go on to university," Mr. Bach said. "It used to be 30 percent. So it's no longer just an elite that wants to continue."

In a country where until a decade or so ago schools were run by a huge bureaucracy centralized in Paris, and where providing education is still seen by almost everybody as a state responsibility, students are as apt to take to the streets to demand solutions to their problems as their parents were.

Last month, in scenes reminiscent of the student revolution in the Latin Quarter in 1968, the high school protests in Paris turned violent when unemployed youths joined student marches and started breaking shop windows, looting stores and setting cars on fire.

But the violence this time was an aberration, agreed these students, who seem more preoccupied with fitting into today's global economy and their increasingly competitive society than with changing it.

When Mr. Allegre responded to last month's strikes by promising to lighten the weekly class workload, which keeps many students on campus here from 8:15 A.M. to 5:15 P.M. daily, at least some of them thought he had missed the point.

"If they cut back the workload too much, we could find that we aren't prepared when we get to university," Miss Devannes said. "They could assume we know math we haven't even studied, and then how would we cope with our courses?"

What exactly the relief in the study load that Mr. Allegre promised would mean was not yet clear to Muriel Navarro, a history and geography teacher who meets regularly with student representatives more concerned with passing tests than avoiding work.

Remedial study programs are unknown in the state university system, which leaves it up to students to figure out their own deficiencies and make up for them if necessary. At the high school level, according to Mr. Bach, it is up to professors and students together to meet diploma requirements.

Worry about that was one of the reasons why students at this school decided to strike, he said, after they got back to school in September after summer vacation and found that they were short of four teachers out of 170. That meant that some students were unable to sign up for required courses in life sciences and mathematics.

"I had asked the district administration for a replacement for the math teacher last June, when she asked for maternity leave," Mr. Bach said. "But I didn't get one."

Mr. Allegre has promised to recruit 3,000 new substitute teachers, so Mr. Bach thinks he will get replacements for the ones he is missing. But, he says, it will be up to them and their students to figure out how to get through the syllabus by the end of the year.

Mohammad Seyyad/The Associated Press

Iranians demonstrating Wednesday on the 19th anniversary of the takeover of the U.S. Embassy in Tehran.

Iranian President Turns Up Heat on U.S.

Agence France-Presse

TEHRAN — Iran toughened its stand against the United States on Wednesday, setting draconian conditions for starting an official dialogue, as demonstrators burned American flags on the 19th anniversary of the seizure of the U.S. Embassy here.

President Mohammed Khatami, at a public gathering at a Tehran school, sharply criticized the United States for continuing hostile policies toward Iran, 19 years after radical Iranian students stormed the embassy and held its staff hostage for 444 days.

"What took place here was not against the American people, but against U.S. policies in Iran," he said, lamenting that Washington "has failed to realize its mistakes, reconsider past policies and apologize."

Mr. Khatami singled out the broadcast of "ugly and hostile" programs by the U.S.-funded, Prague-based Radio Free Europe/Radio Liberty, which recently started a service in Persian.

"This so-called Radio Free is aimed at striking a blow to the Iranian regime, nation and independence," he said.

Mr. Khatami also mentioned efforts by Washington to pressure energy-rich Central Asian countries to bypass Iran in exporting their oil and gas to Europe.

"Although Iran offers the shortest and most economical route with no environmental hazards, America, under the illusion to hurt Iran, opposes this to the detriment of the people of Europe and Central Asia," he said.

In front of the former U.S. Embassy, tens of thousands of people, mostly schoolchildren, set fire to American flags and effigies of Uncle Sam.

In a speech to the crowd, General Mohsen Rezai, the secretary of the Expediency Council, a top supervisory body to the supreme leader, Ayatollah Ali Khamenei, demanded that President Bill Clinton "apologize to Iran at an official international forum for his country's support of 70 years of dictatorship in Iran," an allusion to the monarchy toppled in the 1979 revolution.

He also said Washington must "pledge to never again interfere in our internal affairs," remove its naval fleet from the Gulf region and release Iranian assets frozen in the United States.

IRAQ: *As U.S. Treads Cautiously, Baghdad Alienates Defenders*

Continued from Page 1

or other concessions, diplomats said.

Western leaders were seeking a Security Council resolution condemning Iraq, diplomats said, but it apparently does not contain the tough language usually sought as a justification for military action. There are questions in Washington — and presumably in Baghdad — about Security Council unanimity now that the Russian vote is controlled by Prime Minister Yevgeni Primakov, a longtime political and personal ally of Saddam Hussein.

At the same time, Washington issued a warning to U.S. citizens to be wary of possible terrorist attacks, a precaution that often coincides with a build-up to military action.

There are scores of Westerners, including Americans, in Iraq, many of them in the corps of UN weapons inspectors. An Iraqi defector recently told an Arab newspaper that the Baghdad leadership regrets having released foreigners held in Baghdad as so-called human shields before the U.S.-led attack in 1991.

Politically, Washington has a much stronger hand this time than in its previous confrontation with Baghdad six months ago. In the interim, President Bill Clinton has presided over a new Palestinian-Israeli accord and also orchestrated pressure via NATO that wrung major Serbian concessions in Kosovo.

Early this year and again in August, the United States accepted deals, brokered by France and Russia, that got UN inspectors back on the job in Iraq but gradually introduced the idea that some sanctions might be lifted. In particular, France argues that Iraq would be legally entitled to resume imports if it got a clean bill of health on nuclear weapons while Washington has insisted that all sanctions must remain in force until Iraq meets all the UN demands issued after the Gulf War.

Despite these divergences in the West, another diplomatic solution may now be beyond reach, U.S. and European officials said. But it was still unclear how far the Clinton administration was prepared to go with military force as a way of compelling Baghdad to comply with UN demands.

A key concern, officials said, was how much progress might have been made secretly in Iraq on weapons of mass destruction during the 90 days since the last intrusive inspections. In recent confrontations, Washington apparently was unable to make a compelling case that bombing could effectively cripple Iraq's efforts in this domain.

The United States has nearly 200 warplanes, including fighter-bombers, on a war footing around Iraq. Mr. Cohen's swing through the Middle East will take him to all the countries that might provide bases for air attacks, including Turkey.

His key talks were in Saudi Arabia, with King Fahd and Crown Prince Abdullah ibn Abdulaziz. Prince Abdullah's long-standing sympathies for Iraq and Syria have become more ambiguous recently as he has emerged as the power behind the throne.

BRIEFLY

Fuel Prices Anger Zimbabweans

HARARE, Zimbabwe — Police fired tear gas and charged into crowds of demonstrators with nightsticks Wednesday as tensions erupted over fuel price increases.

The unrest began when private taxi vans and buses blocked entrance routes to Harare, the capital of Zimbabwe, to protest a 67 percent increase in gasoline prices announced by the government Saturday.

Scuffles broke out between transport operators and commuters. Commuters were angered that taxi vans — those that were still operating — had doubled their fares. Demonstrators stoned passing cars and erected barricades, preventing access to many parts of the city. Businesses were closed because workers failed to show up. There were no reports of injuries. Zimbabwe has been plagued by violence since its economy began collapsing a year ago. *(AP)*

U.S. Envoy Tackles Congo Strife

KIGALI, Rwanda — A top U.S. official met Wednesday with Congolese rebels and with Rwandan officials, but it was unclear whether she had made any headway in persuading Rwanda to disengage from the rebellion in the neighboring Congo.

"We have heard the desire of all sides for peace," Assistant Secretary of State Susan Rice said before the talks, in the Rwandan capital of Kigali. Details of the meetings were not immediately available.

The rebellion against President Laurent Kabila of the Congo has embroiled troops from as many as eight countries, including Rwanda, which accuses him of genocide and of failing to rid the countries' border of Rwandan rebels. *(AP)*

Colombia Incursion Irks Brazil

BRASILIA — Brazil has issued a protest to the Colombian government, accusing its troops of entering Brazilian territory without permission during a battle against Marxist rebels over the weekend.

Foreign Minister Luiz Felipe Lampreia of Brazil summoned the Colombian ambassador to demand that all troops and dead bodies at the remote jungle airstrip of Querari, in Amazonas state, be withdrawn immediately.

The Foreign Ministry of Brazil said Colombian military planes used the airstrip as a base for a battle in the eastern Colombian town of Mitu, despite Brazil's rejection of a request by Colombia to enter Brazilian territory.

The statement said that President Fernando Henrique Cardoso of Brazil instructed Mr. Lampreia to "convey a vehement protest" to Colombia's ambassador. Mr. Cardoso discussed the issue with heads of the armed forces Tuesday, it said.

About 1,000 guerrillas from the Revolutionary Armed Forces of Colombia inflicted the heaviest defeat in 30 years on Colombia's military in Mitu, killing at least 80 soldiers and capturing 45 others. Ten civilians died. *(Reuters)*

Vatican and Israel Clash Over Move to Beatify Pope Pius XII

By Alessandra Stanley
New York Times Service

ROME — The Israeli ambassador to the Holy See has urged the Vatican to wait 50 years before moving ahead with any plan to beatify Pope Pius XII, who has been criticized by Jewish groups for remaining silent about the Nazi Holocaust during World War II.

Last week, the Vatican's foreign minister, Archbishop Jean-Louis Tauran, angered Israeli authorities by calling Jewish settlements in East Jerusalem "an illegal occupation" while visiting the city. The Vatican is seeking international guarantees to protect sites in Jerusalem viewed as holy by Christians, Muslims and Jews.

The wrangling over Pius XII and the status of Jerusalem has brought the Vatican's relations with Israel to a new low, five years after Pope John Paul II took the step of recognizing the Jewish state. And that ill-feeling could hinder John Paul's long-standing plans to visit Jerusalem for the millennium.

The Reverend Peter Gumpel, a Jesuit priest who is directing the cause for beatification of Pope Pius XII for the Congregation for the Causes of Saints, called Ambassador Aharon Lopez's remarks, "imprudent and provocative."

Father Gumpel said the ambassador's statement Tuesday, as well as repeated criticism from many Jewish groups over other recent choices for sainthood, were thwarting the Vatican's effort to improve relations with the Jewish community.

"These attacks and insults by some groups are counterproductive," Father Gumpel said. "I would not be surprised if it led to a rise of anti-Semitic feeling; many Catholics feel outraged by these attacks."

Mr. Lopez, who made his remarks during a press conference, spoke only of Pope Pius XII. But many Jewish groups have strongly criticized the Pope's canonization of Edith Stein, a Jewish philosopher who became a Roman Catholic nun and was killed at Auschwitz, as well as his beatification of Cardinal Alojzije Stepinac, who was archbishop of Zagreb when a Nazi puppet regime ruled Croatia during World War II.

The church maintains that Pius XII personally helped save thousands of Jewish lives, and remained silent only out of fear that more Jews would be killed if he publicly criticized the Nazis.

Jewish organizations and Israeli members of Parliament have vehemently criticized the Vatican for its efforts to beatify Pius XII, whose cause was officially opened in 1965 by Pope Paul VI. But it was the first time an Israeli government official raised the issue in public.

Ambassador Lopez said in an interview that he realized "the beatification of saints is the absolute prerogative of the church." He added, "But because Holocaust survivors are still with us and the wounds of the Holocaust are still open, it would seem wiser to wait a number of years until sensitivities have been defused and historians have access to all the records and can make a judgment."

He said he would leave it to historians to evaluate the substance of the charges for and against Pius XII, but that he felt a need to address the "loaded and emotional" issue. "This is the time to speak out," Mr. Lopez said. "While it is still in process and not a fait accompli."

But Vatican officials were irked by the ambassador's public statement, which, among other things, reopened a long-simmering dispute between many Jewish groups and the Vatican over its World War II records. Vatican archives of material dating to 1902 were opened to outside scholars last January; 20th-century records are still being classified by church scholars.

The Vatican has published its own 12-volume history of the World War II period, with 5,000 documents culled from Vatican and other archives. The church says the history contains all the relevant material relating to World War II. Father Gumpel said that those who complain the Vatican has not been sufficiently open in allowing scholars to examine all the records have not done their homework.

Car Explosion Injures 3 Near Kremlin Entrance

Reuters

MOSCOW — A car headed toward the gates of the Kremlin exploded Wednesday, injuring three guards in what appeared to be an attempted bomb attack on President Boris Yeltsin's offices.

The presidential press office said a man who had jumped out of the car before it exploded near the Spassky Gate, the main staff entrance to the Kremlin, was "still alive."

Mr. Yeltsin is recuperating from fatigue near the Black Sea.

STORM: *9,000 Dead*

Continued from Page 1

surrounded the president's vehicle at a river crossing. "There are women and children dying here!"

But complaints about the government's slow response to the crisis were repeated by numerous people interviewed along the rural roadsides as well as in the makeshift refugee camps that have mushroomed in Managua, the capital, this week.

"People are without water — they don't have anything," said Elena Benavidas, 35, who was attempting to make her way from the capital where she works to her home villages with boxes of clothes, sacks of rice and jugs of water. "They're dying of hunger. Some haven't eaten in days."

Roberto Schmidt/Agence France-Presse

A man clearing rubble Wednesday in Tegucigalpa, the Honduran capital.

PINOCHET: *Spanish Appeal Is Heard*

Continued from Page 1

1970s and 1980s. The onetime strongman is under police guard at a secluded London hospital where he is recovering from back surgery.

About 150 people, including supporters of General Pinochet and Chilean exiles and relatives of those who disappeared during the years of military dictatorship, crowded into an ornate committee room of the House of Lords on Wednesday for the first of two days of hearings. The House of Lords, the upper house of Parliament, is the ultimate court of appeal for England and Wales, and the case was heard by 5 of the 12 Lords of Appeal, senior judges who are also life peers. The judges were dressed in business suits while the lawyers wore the traditional white wigs, black robes and high collars.

The law lords are hoping to decide the appeal this week, and if they rule in General Pinochet's favor, he could depart at once. Thus, moves by Chilean exiles in Europe and governments seeking his extradition to Belgium, France, Germany, Italy, Luxembourg, Sweden and Switzerland would probably fail.

A Chilean Air Force ambulance plane has been waiting at Brize Norton Royal Air Force Base in Oxfordshire this last week to fly General Pinochet out of England promptly once he is freed.

Reed Brody, the advocacy director of Human Rights Watch, said Wednesday night that his organization had asked the European Court of Human Rights in Strasbourg to request the United Kingdom to continue to detain General Pinochet pending an appeal there.

In a rare move, the law lords have agreed to admit arguments Thursday on behalf of Amnesty International, the Redress Trust, the Medical Foundation for the Care of Victims of Torture, the family of a disappeared Anglo-Chilean, William Beausire, and a British torture victim, Dr. Sheila Cassidy.

They will be represented by Professor Ian Brownlie, an authority on international law, who will argue that there is no immunity for crimes against humanity.

Herald International Tribune

BUSINESS/FINANCE

THURSDAY, NOVEMBER 5, 1998

Designers Stumble on The Catwalk

Small Fashion Houses Fall Victim to Tough Economic Conditions

By Sharon R. King
New York Times Service

NEW YORK — Walk inside any major American department store, and the troubles that have torn the fabric of the U.S. fashion industry are evident.

In recent weeks, the fashion house Isaac Mizrahi closed its doors, and the Anne Klein company has been put up for sale after losing money for several years. A shakeout among small design companies has left men's, women's and children's clothing departments dominated by a handful of big designers such as Tommy Hilfiger, Donna Karan and Ralph Lauren.

As small designers close their doors, the big fashion companies command even more influence with retailers and gain more space for their clothing in stores.

"When you walk into the stores, you can walk onto a floor, and you can notice immediately who controls that floor," said Mari Harkins, a director of merchandising at Donna Karan International Inc.

The harsh business environment means that a hot young designer can no longer expect to follow in the footsteps of Calvin Klein and start a design company that quickly becomes a licensing powerhouse. Instead, there has been a growing trend of designers for hire, which lets designers maintain their own independent business while offering their creative talent to other established firms.

The slump in the fashion industry is also evident in Bryant Park in midtown Manhattan, where the American fashion industry's latest showcase of women's-wear collections is under way. The roster for this year's shows is littered with cancellations from companies that have fallen as well as those that decided to forgo the hundreds of thousands of dollars required to put on a show.

This year, Kenar Enterprises Ltd. filed for Chapter 11 bankruptcy-law protection, and Andrea Jovine shut its doors. Todd Oldham has closed his wholesale collection business. Adrienne Vittadini has resigned from her namesake company, now owned by Marisa Christina Inc. And Nautica Enterprises will end a licensing agreement with Bernard Chaus Inc. for its women's business, leaving the future of the line uncertain.

The thinning of the ranks of independent designers stems to some degree from a gradual erosion in U.S. consumer confidence. With signs of an economic slowdown ahead, some shoppers have been getting more restrained in their spending. But the industry shakeout is also a ripple effect from an earlier consolidation among department stores that weakened fashion's grip on retailing.

After waves of mergers in the 1980s and '90s, there are now only three major American department-store chains: May Co., Federated Department Stores and Dillard's Inc.

Department stores are putting pressure on fashion companies to assume a greater share of the risk of selling their products, helping to guarantee profits for the store. Department stores keep inventories low, but they require shipments of new styles more often and have reduced the numbers of styles they carry.

Fashion companies often bear the brunt of the expense of ensuring that their products are displayed appropriately on selling floors, and they may be responsible for covering a portion of

See FASHION, Page 19

Philip Greenberg/The New York Times

Elie Tahari adjusts a model's skirt in his New York office. His company is trying to streamline its inventory.

Siemens Slims Down With Big Asset Sales

Compiled by Our Staff From Dispatches

MUNICH — Siemens AG announced a $2.4 billion shake-up Wednesday that it hopes will revitalize and restore profitability to the biggest electronics company in Germany.

Siemens said it would sell businesses with annual sales of 17 billion Deutsche marks ($10.25 billion) and 60,000 employees, including its troubled semiconductor unit. The plan resulted in a charge of 4 billion DM against earnings for the year ended Sept. 30, but Siemens said it would lead to a significant rise in future profit.

Siemens said its profit for the year rose just 2 percent, to 2.66 billion DM, even as sales grew 10 percent, to 117.8 billion DM. After one-time charges, net income was 920 million DM, Siemens said. The company did not break out its quarterly earnings.

Siemens, with products ranging from lightbulbs to power plants, has sold its defense-electronics and dental-equipment units over the past two years to shore up profitability. But that was not enough to counter a collapse in memory-chip prices, a recession in parts of Asia and other problems that plagued the company this year.

"This is absolutely the right direction," said Frank Rothaupe, an analyst at Oppenheim Finanzanalyse in Frankfurt. "This splitting from peripheral activities is what we've long wanted."

Siemens shares raced ahead on news of the restructuring, closing with a gain of 12.20 DM, or 12 percent, at 114.65.

The 4 billion DM in charges includes the cost of closing the company's semiconductor factory in North Tyneside in England and the reorganization of its information and communications division, Siemens said.

Contributing to the decline in profit after one-time gains was 900 million DM in risk provisions for businesses in Asia and other regions, an amount that the chief executive, Heinrich von Pierer, described as "conservative."

"We are playing it on the safe side, as is our tradition," he said. "Despite this, Asia-Pacific in particular remains one of the world's most interesting growth markets over the longer term, and we will maintain our strong commitment to the region." Siemens said economic turbulence in Asia had caused its orders to the region to fall 25 percent, to 12.3 billion DM.

Siemens said its divestitures would affect about 14 percent of the company's work force. Over the past two years, it has sold units with sales of more than 5 billion DM.

Siemens plans to sell its semiconductor unit in stages until it eventually has no stake in the business. The unit, which has been savaged this year by a collapse in memory-chip prices, posted a pretax loss of 1.2 billion DM, reversing profit of 109 million DM a year earlier. The business will not break even in 1999, although the loss will narrow, Mr. von Pierer said.

Siemens also plans to shed its copper communications cable division. It is also considering a stock flotation of its electron-tubes business and Siemens-Nixdorf's retail and banking systems.

The company said it also had sold its locomotive unit, Siemens Schienenfahrzeugtechnik GmbH, to Vossloh AG of Germany.

"People didn't think they would take such large steps so quickly after they announced their new reorganization plan last July," said Trudbert Merkel, a fund manager at Deka Deutsche Kapitalanlagegesellschaft mbH in Frankfurt. "They have won investors' trust back in spades."

Siemens emphasized that it planned further acquisitions, most likely in the United States, but that it did not plan any billion-mark deals for the time being.

Mr. von Pierer also soothed worries about large-scale job cuts within the group and denied reports that the group planned to cut between 15,000 and 20,000 jobs. He said such speculation was irresponsible and made the work force feel insecure.

The company said earnings had been hurt this year by snags in delivering a new generation of gas turbines and trains to customers.

Mr. von Pierer said the decision to take Siemens's semiconductor division public had been based on the business's need for a lot of capital and risk-sharing and not on its loss to the latest financial year. *(Bloomberg, Reuters)*

U.S. Stocks Rise on Election Results

Compiled by Our Staff From Dispatches

NEW YORK — The stock market raced ahead Wednesday after American voters showed they were not enthusiastic about Republican efforts to impeach President Bill Clinton.

"We're in a powerful 'sigh-of-relief' rally," said James Weiss, deputy chief investment officer for stocks at State Street Research & Management.

Republicans retained control of Congress, but their majority slipped. The stronger-than-expected showing by Democrats was seen as a condemnation of Republican efforts to remove the president for allegedly lying about an affair with a White House intern.

"It confirms what we all knew, that the American public has no appetite for an impeachment process," said Hugh Johnson, chief investment officer at First Albany Corp. "It's good news that there will not be a leadership vacuum."

The Dow Jones industrial average was 33.73 points higher in late trading, at 8,739.88. The index had been more than 100 points higher for most of the session, but a report from the Federal Reserve indicating only a mild slowdown in U.S. economic growth triggered a late round of selling.

The Nasdaq composite index, which contains many technology stocks, was 21.12 points higher, at 1,809.55, and gaining issues outnumbered losing ones by a 2-to-1 ratio on the New York Stock Exchange.

Investors had been banking on another interest-rate cut from the U.S. central bank when its policy-making Open Market Committee meets Nov. 17. But the Federal Reserve said Wednesday in its so-called beige book report that numerous pockets of economic strength were offsetting slowing growth in other areas.

The report also said inflation posed little threat to growth. That suggests a rate cut may not be needed, at least not in the coming month, which caused the stock market to pull back slightly.

A drop in U.S. Treasury bond prices also sapped some enthusiasm for stocks, analysts said. The price of the benchmark 30-year issue fell 1 25/32 points in late trading, to 102 16/32, driving the yield up to 5.33 percent from 5.22 percent Tuesday.

Bond prices fell after there was weak demand at the Treasury's sale of $12 billion in 10-year notes.

"The bond auction did not go so well,

See MARKET, Page 16

ECONOMIC SCENE

America's 'Imported' Spending Spree

By John M. Berry
Washington Post Service

WASHINGTON — For the past two decades, the United States has been living beyond its means, consuming and investing more each year than it has produced while relying on imported capital to cover the shortfall.

For instance, in the second quarter of this year, money from abroad flowed into U.S. stocks, bonds and banks and into foreign-owned companies in the United States at an annual rate of $215 billion, according to the Commerce Department. What that paid for, in effect, was the extra imports of goods and services bought by consumers and businesses beyond what was produced here — in other words, the money roughly financed the U.S. trade deficit.

Another way of assessing this balancing act is to focus on U.S. savings, which is what is left from each year's national income after the national consumption has been paid for. If there were enough savings to pay for all the investment being made, then there would be no need for foreign capital — capital on which interest and dividends will have to be paid in the future.

As this money has poured into the country year after year since the early 1980s, the value of foreign investment in the United States has come to far exceeds that of American investment abroad. The result is that in the second quarter alone, foreigners earned about $20 billion more on their U.S. investments — a figure that doesn't include capital gains — than was earned by U.S. investments in other countries. Had Americans saved relatively more in the past two decades than they did, part of that flow of income would have remained to the United States.

But, while more saving might have left the nation better off, economists say, the United States would be much worse off if the foreign capital had not been available and U.S. investment had been limited by a lack of financing.

The most vivid example of the lack of savings to finance U.S. domestic investment is shown by the U.S. personal savings rate — the share of Americans' current after-tax personal income that has not been spent on goods and services. In the third quarter the rate dwindled to just 0.1 percent, and in September it turned negative — at minus 0.2 percent. In other words, individuals had to dip into their accumulated wealth, including gains in their stock portfolios from recent years, to pay for current spending.

That last happened in the early 1930s, at the depth of the Depression, when incomes fell so sharply that many households had no choice but to use their savings to buy the necessities of life. Personal saving as a share of disposable personal income had not previously come close to zero during the past half-century.

Fortunately, the sharp drop in personal saving by Americans has occurred just as saving by the economy's two other major actors, business and government, has climbed sharply.

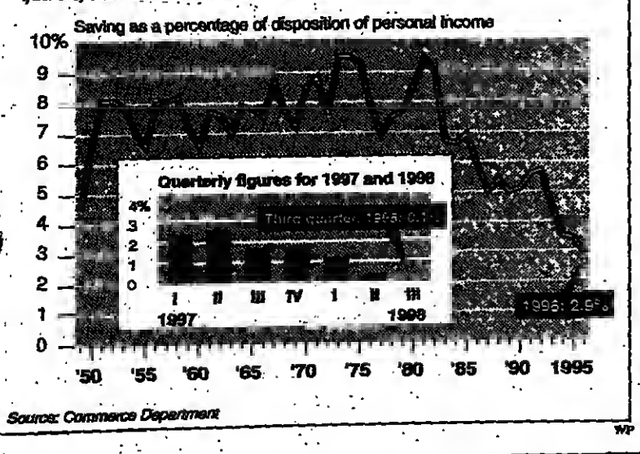
In the second quarter, according to the latest figures available for saving by all three groups, individuals saved at a scant $25.6 billion annual rate. That includes saving by unincorporated businesses. Meanwhile, corporations' undistributed profits were running at just over a $300 billion rate, the federal government's surplus reached a nearly $75 billion rate, and state and local governments were piling up a collective surplus at a $141 billion rate.

In 1993, however, as the economic recovery was getting going, investment by businesses and governments was far below recent levels. As a result, less than $80 billion in foreign money was needed to cover the difference between U.S. saving and investment.

In a recent article in the Boston Federal Reserve Bank's Regional Review, the bank's research director, Lynn Browne, said that business investment in equipment and structures was "actually a larger fraction of the gross domestic product now than in the early 1990s, 11 percent compared to 9 percent, and slightly exceeds the norm for the past 30 years."

Record Low Savings

Personal saving in the United States moved above 9 percent in 1981 but has been heading mostly downward ever since. In the third quarter, the rate fell almost to zero.



Source: Commerce Department

WP

Deficit-Cutting Measure Faces Delay in Brazil

Bloomberg News

BRASILIA — A low turnout in Brazil's Congress on Wednesday threatened to delay action for as much as a week on a bill to cut pension payments, a key part of the country's plans to slash its deficit and win assistance from international lenders.

The government needs at least 308 votes, or three-fifths of the 513 deputies in the lower house of Congress, to approve the bill, which is a constitutional amendment that reduces benefits and privileges of retired state workers and stops some from retiring early. But by late Wednesday afternoon, with a few dozen members not yet in the house, legislative leaders had not decided whether to proceed with the vote.

The bill would cut pension spending by about 5 percent next year, saving about 3 billion reals ($2.51 billion). The projected saving rises to 9.2 billion reals in 2000.

The delay could be a setback in Brazil's attempts to approve 28 billion reals in spending cuts and tax increases, vital to receiving as much as $30 billion in aid from lenders such as the International Monetary Fund.

If the vote were postponed Wednesday, the measure might come up again Thursday or next Wednesday, said Arnaldo Madeira, leader of government in the lower house.

Investors would rather see a delay than a defeat.

"A delay has already been accounted for," said Flavio Menezes, an equities manager at Banco Patrimonio de Investimentos SA in Sao Paulo. "A delay is bad news, but a defeat would be disastrous."

Brazil's pension system has been one of the main stumbling blocks to efforts to cut spending.

This year, the shortfall in pension payments is expected to reach 50 billion reals, or 71 percent of the budget deficit.

CURRENCY & INTEREST RATES

Cross Rates

Nov. 4

	$	£	DM	FF	Lira	DFl	BFr	SF	Yen	C$	Peseta
Amsterdam	1.8825	3.114	1.1725	0.3587	0.114*	—	5.466*	1.328	1.603*	1.225	1.286*
Brussels	34.39	56.85	21.420	6.552	2.085*	18.295	—	24.24	0.2926	22.38	24.24*
Frankfurt	1.6055	2.657	—	0.3061	0.0971*	0.8537	4.8404*	1.1319	1.4294*	1.215	1.3767*
London (a)	1.6557	—	2.3438	0.5679	2.2253.3	3.3148	51.8025	2.3672	193.3782	2.2233	234.0833
Madrid	141.363	234.042	86.607	26.529	8.595*	25.471	427.18	100.615	12.246*	93.29	—
Milan	1,640.30	2,716.30	1005.25	308.06	—	677.28	4,957	1,167.28	142.12	1,084.30	11.63
New York (b)	—	1.6104	0.5959	0.1825	0.0589*	0.1728	0.1425	0.3356	0.0363	0.6888	3.9405*
Paris	5.9978	9.261	3.3263	—	0.3289*	2.9708	0.1425	0.3356	0.0363	2.5376	0.8144
Tokyo	116.35	179.79	66.57	20.25	7.03*	61.78	3.3228	81.99	—	75.76	6.7371*
Toronto	1.539	2.377	0.8119	0.2721	0.0872*	0.8188	0.4403*	1.1128	1.3207*	—	0.1071*
Zurich	1.2467	2.2654	0.8179	0.2445	0.0809*	0.7272	3.9751*	—	1.1719*	0.8974	0.9467*
ECU	1.1771	0.7879	1.9552	0.5554	1.9543.3	2.2845	40.2088	1.0844	126.278	1.2881	164.238
SDR	1.4086	0.8424	2.3367	0.7396	2.3137	2.6463	48.0791	1.2967	142.543	2.1426	198.195

Closings in Amsterdam, London, Milan, Paris and Zurich. Rates in other centers: New York and Toronto rates at 3 P.M.
*a: To buy one pound. b: To buy one dollar. *Units of 100. N.Q.: not quoted. N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	280.5	Mex. peso	9.91	S. Afr. rand	5.5925
Australian $	1.5880	Hong Kong $	7.7424	N. Zealand $	1.8241	S. Kor. won	1311.1
Austrian sch.	11.729	Hung. forint	214.71	Norw. krone	7.4127	Swed. krona	7.8332
Brazil real	1.191	Indian rupee	42.29	Phil. peso	39.39	Taiwan $	32.47
Canada dollar	1.5779	Indo. rupiah	6600.	Polish zloty	3.42	Thai baht	36.64
Czech koruna	28.92	Irish £	0.6712	Port. escudo	170.90	Turkish lira	298165.
Danish krone	6.3962	Israeli shek.	4.2024	Russ. ruble	15.57	UAE dirham	3.6727
Finnish mkka	5.0681	Italian lira	1,639.30	Saudi riyal	3.75	Venez. bolIv.	567.00
French franc	5.9978	Jamaica dollar	37.78	Sing. $	1.6224		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6823	1.6501	1.6425	Japanese yen	116.26	115.68	115.12
Canadian dollar	1.5204	1.5200	1.5199	Swiss franc	1.3619	1.3576	1.3529
Deutsche mark	1.6640	1.6634	1.6681				

Sources: ING Bank (Amsterdam); KBC Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Nov. 4

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5⅛ - 5¼	3⅛ - 3⅜	1½ - 1⅞	7 - 7⅛	3⅞ - 3⅞	⅛ - ⅜	3⅞ - 3⅞
3-month	5⅛ - 5¼	3⅛ - 3⅜	1½ - 1⅞	6⅞ - 7	3⅞ - 3⅞	½ - ⅝	3⅞ - 3⅞
6-month	4⅞ - 5⅛	3⅛ - 3⅜	1⅜ - 1⅞	6⅛ - 6¼	3⅞ - 3⅞	½ - ⅝	3⅞ - 3⅞
1-year	4⅞ - 4⅞	3⅛ - 3⅜	1⅜ - 1⅞	6⅛ - 6½	3⅞ - 3⅞	½ - ⅝	3⅞ - 3⅞

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Today	Prev
Discount rate	4¾	4¾
Prime rate	8.00	8.00
Federal funds	5⅛	5⅛
90-day CDs (Mod)	5.28	5.19
180-day CP (Mod)	4.85	4.82
ML 30-day R-A	4.73	4.76

	Price	Yield	Prev
3-month T-bill	4.45	4.55	4.38
1-year T-bill	4.27	4.46	4.33
2-year T-note	99-06	4.42	4.29
5-year T-note	98-30	4.48	4.37
7-year T-note	114-14	4.80	4.65
10-year T-note	105-16	4.89	4.73
30-year T-bond	102-07	5.32	5.22

Japan	Close	Prev
Discount rate	0.50	0.50
Call money	0.21	0.42
1-month interbank	0.60	0.60
3-month interbank	0.65	0.65
6-month interbank	0.67	0.67
10-year Gov't bond	0.98	0.85

Germany		
Lombard rate	4.50	4.50
Call money	3.44	3.46
1-month interbank	3.51	3.51
3-month interbank	3.62	3.62
6-month interbank	3.57	3.57
10-year Bund	4.14	4.14

Britain		
Base loan rate	7¼	7¼
Call money	6.00	6½
1-month interbank	7⅛	7⅛
3-month interbank	7.00	7⅛
6-month interbank	6⅞	6⅞
10-year Gilt	5.04	5.02

France		
Intervention rate	3.30	3.30
Call money	3⅛	3⅛
1-month interbank	3⅞	3⅞
3-month interbank	3½	3½
6-month interbank	3⅞	3⅞
10-year OAT	4.24	4.24

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	n.a.	289.40	+1.00
London	290.10	289.40	+0.80
New York	290.20	291.80	+2.10

U.S. dollars per ounce. London official fixings; Zurich and New York opening and Closing prices New York Comex (Dec.)

Source: Reuters.

Investor's America

Exchange	Index	Wednesday @3:30PM	Prev. Close	% Change
U.S.	The Dow	8744.00	8706.15	+0.43
U.S.	S&P 500	1113.69	1110.84	+0.26
U.S.	S&P 100	545.79	544.25	+0.28
U.S.	NYSE Composite	553.40	551.80	+0.29
U.S.	Nasdaq Composite	1812.67	1788.44	+1.35
U.S.	AMEX Composite	663.67	664.42	-0.11
Toronto	TSE Index	6346.38	6296.50	+0.79
São Paulo	Bovespa	7655.95	7508.33	+1.97
Mexico City	Bolsa	4249.94	4127.85	+2.96
Buenos Aires	Merval	492.47	485.98	+1.34
Santiago	IPSA General	3637.56	3528.70	+3.08
Caracas	Capital General	4012.77	3943.03	+1.77

Source: Bloomberg, Reuters International Herald Tribune

Very briefly:

- **General Motors Corp.** and **Ford Motor Co.** reported better-than-expected October sales, giving the industry a surprisingly strong month as new models and rebates spurred demand. GM's U.S. sales of domestically built cars and trucks rose 6 percent in October, while Ford's sales rose 3 percent. For the first time since June, GM's monthly sales were not hurt by the strike at the automaker this summer.
- **Cendant Corp.**'s third-quarter earnings fell 45 percent, to $111 million, partly because of charges associated with an accounting-fraud scandal. The company took a $76.4 million charge to investigate fraud at the former **CUC International Inc.**, the company that merged with the franchiser **HFS Inc.** to form Cendant in December.
- **Cadence Design Systems Inc.**, a chip-design software maker, said it was cutting about 560 jobs, or 12 percent of its work force, and taking $36 million in fourth-quarter charges as it sought to trim costs.
- **The Los Angeles Times** said it would cut its 6,400-member work force by 250 people, or nearly 4 percent, as advertising revenue fell short of projections. The newspaper is trying to return its staffing to the leaner level of 1995, when it cut the equivalent of 700 full-time jobs.
- **Seagram Co.**'s earnings for its first quarter, which ended Sept. 30, surged to $1.16 billion from $133 million a year earlier as a gain from the sale of its Tropicana juice business offset weak box-office results at Universal Studios and declining profit from its liquor business.
- **Aetna Inc.**, the biggest U.S. health insurer, said third-quarter profit fell 6.1 percent, to $152.2 million, and blamed the cost of battling the so-called year 2000 computer-software bug. Aetna said it would spend more than it previously estimated this year and next to fix the computer problem.
- **Walt Disney Co.**'s fourth-quarter profit fell 24 percent, to $296 million, in line with expectations. Profit was hurt by poorly received films such as "Holy Man" and "Beloved" and by declining video sales. *Bloomberg, Reuters, NYT, AP*

Poll Results In the U.S. Help Buoy The Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against other major currencies Wednesday after a strong showing by Democrats in U.S. elections was seen as reducing the chances that Congress will impeach President Bill Clinton.

"Obviously this is a vote for non-impeachment, and I don't think we'll hear much more about it," said Kevin Lawrie, global foreign-exchange manager at Mellon Bank. "Things are still constructive for the dollar."

A drawn-out impeachment process would hurt the dollar, analysts said, by diverting the government from managing the economy and steering some global investors away from U.S. financial assets until the political uncertainty subsides.

Republicans retained control of Congress, but their majority slimmed. That helped lift the U.S. stock market and in turn the dollar.

"The election results have been taking another level of uncertainty out of the market, and that's good for both the dollar and the stock market," said Rob Podorefsky, foreign-exchange strategist at BankBoston.

The dollar rose to 1.6659 Deutsche marks in late trading from 1.6590 DM on Tuesday, to 5.5825 French francs from 5.5631 francs and to 1.3650 Swiss francs from 1.3585 francs. It rose to 116.615 yen from 115.295 yen. The pound rose to $1.6603 from $1.6593.

Also in the dollar's favor were reports signaling a healthy economy, which have tempered expectations for an interest-rate cut from the Federal Reserve Board when its policy-making Open Market Committee meets Nov. 17.

"The U.S. economy is surprisingly resilient," said Lukas Daalder, an economist at Rabobank. "Unless the figures turn sour — and we don't think they will — we don't expect a rate cut in November."

The dollar was buoyed against the mark by persistent market expectations for additional interest-rate cuts in Europe. These hopes were fanned by the German government's move to cut its 1999 growth forecast to 2.0 percent from 2.9 percent. *(Bridge News, Bloomberg)*

FOREIGN EXCHANGE

'Smart' Cash Cards Flunk Manhattan Test

By Saul Hansell
New York Times Service

NEW YORK — Electronic cash may be joining jet packs, video phones and other technological wonders that never move from the future to the present.

In the latest of many notable failures for what has been promoted as the future of money, Citibank and Chase Manhattan Bank have decided to shut down their test of electronic cash, the biggest trial of the technology to date in the United States.

The banks issued the so-called smart cards — cards with embedded computer chips — to nearly 100,000 people who live on the Upper West Side of Manhattan. Such cards are already in wide use as bank cards in Europe, but so far in the United States they have been used mainly for controlling access to buildings and protecting against fraudulent use of new types of cellular telephones. In the New York trial, customers could transfer cash from their bank accounts onto the cards at automated teller machines and spend the money at 600 merchants. In theory, this would make small purchases faster and easier than with coins and bills.

But in reality, most people who tried the system never loaded their cards a second time. And with few people using the cards, two-thirds of the merchants dropped out. Indeed, in the program's first year, less than $2 million was spent using all of the cards.

"Unfortunately, we weren't able to make the consumers' life easier," said Carole Lockie, a vice president of Visa USA, which worked with the banks and Mastercard International on the test.

Chase and Citibank customers with cash cards will be able to load their cards and spend money at the remaining merchants until the end of the year. They will then have until six months after the expiration date on their cards to transfer any remaining cash from the cards to their bank accounts.

Other similar tests of electronic cash have produced similar disappointments. Visa introduced its Visa Cash smart card at the 1996 Summer Olympics in Atlanta, with the hope of continuing to operate and expand the system there. In fact, the system has all but shut down and most of the banks have withdrawn.

Last year, Mastercard closed the introductory test of its Mondex smart card system in Swindon, England. It just said it would end a similar test in Guelph, Ontario.

"Smart cards are a technology chasing a business case," said Richard Speer, chief executive of Speer & Associates, a financial consulting firm. He said that the widespread acceptance of inexpensive terminals that merchants can use to accept credit and debit cards had undercut the need for electronic cash. But proponents of smart cards maintained that the technology would ultimately prove popular. In the test by Chase and Citibank, they said, consumers were discouraged because they could not use their cards in all parts of the city. Yet the banks found it too difficult to expand the number of places accepting the cards, because there was little appeal to merchants to take it.

"This is a real chicken-and-egg case," said a Ronald Braco, senior vice president of Chase. "Merchants don't want something where they get only a few transactions a day."

Neither of the banks is giving up on smart cards completely. Mr. Braco said Chase was working on a new product it hopes to test next year. Citibank said there was likely to be more use of smart cards outside of the United States. It plans to introduce products in Mexico, Hong Kong and other countries.

MARKET: *Election Result Prompts 'Sigh-of-Relief' Rally*

Continued from Page 15

which puts upward pressure on interest rates," said Jim Benning, a trader at BT Brokerage in New York. "That never helps stocks."

But long-term prospects for stable growth coupled with the political stability afforded by the elections should keep the stock market on firm footing, analysts said.

"You won't be hearing pressures about impeachment, and that is good news for the market," said Peter Cardillo, director of research at Westfalia Investments. "The atmosphere has changed, and confidence has returned."

Technology issues led the stock-market gains, with Intel, Micron Technology and other semiconductor makers getting a boost from an industry report showing that computer-chip sales were rising.

Worldwide chip sales rose to $10.22 billion in September from $9.81 billion in August and $9.67 billion in July, according to the Semiconductor Industry Association. While September sales were still below year-ago levels, the steady increase sparked speculation that this year's slump may be abating as sales of personal computers rise.

"There's more to it than just a seasonal upturn," said Bill McClean, president of IC Insights Inc., a semiconductor-market research firm. "If the global economy doesn't tank, the worst is behind us."

Intel, the world's biggest maker of microprocessors, rose 3 7/16 to 93¾, and Micron gained 2¾ to 43 1/16, a 52-week high. Applied Materials, which makes equipment used by chipmakers, rose 1 13/16 to 34 9/16.

Dell Computer rose ¼ to 64¼, and Apple Computer rose 9/16 to 38¾.

Cisco Systems, the world's top maker of computer-networking equipment, rose 1½ to 64⅞ on expectations for the company to report strong first-quarter earnings.

Among other active issues, Corporate Express fell 3 15/16 to 7⅛; the office-products supplier said it expected third-quarter earnings to be below analysts' estimates because of poor performance in some of its units.

American Coin Merchandising fell 6 to 10⅛. The owner of coin-operated machines that dispense toys and other items said it expected third-quarter results to fall below second-quarter earnings.

Monsanto fell 4 to 38 7/16. Its Searle drug unit said it had scaled back a study of its clot-preventing heart drug after seeing a greater-than-expected number of deaths in one group of patients receiving the drug.

Dura Pharmaceuticals lost 3 to 9⅜. The company said U.S. regulators had doubts about its next-generation asthma inhaler and would not approve the product at this time. *(Reuters, Bloomberg, AP)*

3 P.M. SNAPSHOT

PepsiCo Outlines Management Changes

Reuters

PURCHASE, New York — PepsiCo Inc., the long-time runner-up to Coca-Cola Co. in the cola wars, on Wednesday announced a sweeping management restructuring in its North American domestic business in a move to focus its marketing strategies.

The food and beverage giant, which announced plans in September to split its bottling operations from its beverage business, said it was combining its current customer development and franchise market development teams into one unified group.

No jobs are expected to be lost as a result of the restructuring.

Philip Marineau, who took the helm at Pepsi 11 months ago as president and chief executive, said that Jim Nolan would lead the unified research and marketing group as vice president of sales and marketing development.

Accounting Problem At Japan Unit Hits Boston Scientific

Compiled by Our Staff From Dispatches

NATICK, Massachusetts — Boston Scientific Corp.'s shares fell for a second day Wednesday on concern about accounting irregularities at the medical-device maker's Japanese subsidiary.

On Tuesday, the company, one of the top three makers of stents that prop open blood vessels, said it had improperly booked $40 million to $50 million in sales from the Japanese unit in the first nine months of 1998. In late trading Wednesday, the company's shares, which tumbled $5.875 on Tuesday, were down a further $3.375 at $43.

Boston Scientific said it was still investigating the problems. The company also estimated that it might have $40 million in "net unrealizable assets" from previous years. It said it had replaced the heads of its international division and its Japanese unit as it continued its investigation.

A law firm representing shareholders alleged Wednesday that Boston Scientific had misled investors about its financial performance. Boston Scientific, which has expanded rapidly over the past two years, recently recalled its NIR stent system amid reports of technical problems. *(Bloomberg, Reuters)*

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	188.67	+2.46	+1.32	+9.62
Regional Indexes				
Asia/Pacific	91.14	+2.97	+3.37	—5.13
Europe	221.35	+4.65	+2.15	+14.67
N. America	255.49	—0.80	—0.31	+18.29
S. America	93.34	+3.10	+3.44	—38.86
Industrial Indexes				
Capital goods	255.18	+4.30	+1.71	+23.53
Consumer goods	233.78	+0.26	+0.11	+11.47
Energy	202.01	+2.58	+1.29	+3.62
Finance	130.76	+3.71	+2.92	+6.34
Miscellaneous	182.04	+2.04	+1.13	+21.46
Raw Materials	173.78	+2.69	+1.57	+3.91
Service	197.82	+1.73	+0.88	+13.49
Utilities	178.77	+1.42	+0.80	+7.13

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries.
Compiled by Bloomberg News.

AMEX

Wednesday's 3 P.M.

The 200 most traded stocks of the day.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	3:30	Chg.
Indus	8708.47	8854.45	8708.47	8744.00	+37.85
Trans	2919.72	2970.65	2905.54	2909.64	-8.68
Util	307.86	311.67	306.42	306.51	-1.26
Comp	2729.36	2771.91	2726.60	2733.57	+3.20

Standard & Poors

	Previous High	Low	Close	Today 3 P.M.
Industrials	1332.24	1320.53	1326.61	1325.23
Transp.	646.13	635.09	637.85	638.61
Utilities	255.60	253.07	255.35	253.92
Finance	120.72	119.48	119.79	121.15
SP 500	1115.02	1104.42	1110.84	1112.08
SP 100	546.89	541.60	544.25	544.82

NYSE

	High	Low	3P.M.	Chg.
Composite	559.21	551.74	552.39	+0.59
Industrials	698.74	688.22	689.16	-0.01
Transp.	446.57	438.34	438.87	-4.54
Utility	409.74	403.30	403.82	-3.11
Finance	497.32	486.60	491.99	+5.39

Nasdaq

	High	Low	3P.M.	Chg.
Composite	1820.36	1807.67	1808.42	+19.99
Industrials	1153.86	1143.30	1143.46	+11.92
Banks	1974.48	1795.07	1805.69	+20.17
Insurance	1666.98	1647.58	1649.85	+4.60
Finance	2366.37	2342.73	2355.02	+22.85
Transp.	937.33	923.81	934.95	+15.06

AMEX

High	Low	3P.M.	Chg.
670.40	664.27	664.32	-0.10

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	106.55	106.66
10 Utilities	104.24	104.26
10 Industrials	108.86	109.05

Most Actives

NYSE

	Vol.	High	Low	3PM	Chg.
Iomega s	199479	8⅛	7¼	7¾	+⅜
Citigrp	152215	45⅝	44⅛	44⅞	+⅝
Cendant	118733	14⅛	12¾	13⅜	+⅝
BostSc	110394	43½	40¼	43¼	-3¼
Monsan	82066	40½	38⅛	38⅞	-3⅞
Compaq s	75944	32⅛	31¼	31⅞	+⅞
AmOnline s	75169	140	136¼	138	+5½
Seagate	71241	29½	28⅛	29⅛	+1⅞
Disney s	68354	30⅛	29⅛	29⅜	-⅞
MicronT	59530	44	41⅛	42⅞	+2⅛
Lucent s	59340	86⅞	83⅜	85⅞	+3½
Cadence s	57366	25⅛	20⅜	24⅛	+4⅛
AMD	57003	25⅛	23⅞	24⅞	+1⅛
Chrysler	55858	49⅛	48⅞	49⅝	+1
PhilMor	54808	54⅛	53⅛	53⅞	+⅛

Nasdaq

	Vol.	High	Low	3PM	Chg.
[illegible]	257526	19⅛	16¼	17⅞	-⅞
Intel	223235	94½	91⅛	93⅝	+2⅞
Cisco s	174139	65⅛	64⅛	64⅞	+1½
DellCptr s	157434	66⅛	64¼	64¼	+¼
CorpExp	143496	7⅛	6⅛	6	-4⅞
Microsft s	128960	107⅝	105⅛	105⅞	+⅞
MCI Wrld	112029	57⅛	55⅜	56½	+1⅛
Oracle	110540	30⅛	29⅛	30⅛	+⅝
ApldMat	88032	35	33⅛	34⅝	+1⅞
DuraPh	87584	10⅛	9⅛	9⅜	-3
3Com	81391	35⅛	34⅛	34⅞	+⅞
Quantum	79041	20⅛	19⅛	20⅛	+1⅛
K-tel s	71263	17⅛	14⅞	14⅞	+1⅛
Yahoo	70136	148⅞	145⅛	146⅛	+4
vjBostChk	69811	2⅛	1½	1⅝	+⅛

AMEX

	Vol.	High	Low	3PM	Chg.
SPDR	49920	113⅝	111⅛	111⅞	+⅞
FAusPr	24373	5⅛	5⅛	5¼	+⅛
WEB Jpn	14951	10⅛	10½	10⅝	+⅛
ViacB	13127	65	63	63⅞	-⅞
SP Mid	8764	67⅛	66⅛	66⅞	+1⅛
Hearx	8196	⅞	¾	⅞	+⅛
CdnganRs	8180	⅝	⅝	⅝	-⅛
UTI Eng	6412	12	11⅛	11¾	+⅝
TWA	6234	5⅛	4⅝	4⅞	-⅛
ForstLb s	5170	47⅛	45½	45⅞	+½

Trading Activity

NYSE

	Noon	Prev.
Advanced	2166	1617
Declined	747	1450
Unchanged	451	487
Total issues	3364	3554
New Highs	45	55
New Lows	8	15

Nasdaq

	Noon	Prev.
Advanced	2471	2007
Declined	1200	1993
Unchanged	1438	1372
Total issues	5059	5372
New Highs	63	47
New Lows	52	36

AMEX

	Noon	Prev.
Advanced	297	291
Declined	183	287
Unchanged	137	147
Total issues	611	725
New Highs	4	6
New Lows	9	10

Market Sales

	Today 3:00	Prev. cons.
NYSE	702.93	862.70
Amex	30.53	37.72
Nasdaq	831.06	888.99

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
DLJ HiYld Bd Fd	-	.08	11-16	11-30
High Country Bn	-	.20	11-10	11-15
STOCK SPLIT				
Boston Scientific 2 for 1 split.				
STOCK				
Fst Fin Bkshrs	-	10%	11-16	12-1
Mid Penn Bncp	-	5%	11-11	11-23
Supreme Indust	-	5%	11-13	11-20
INCREASED				
Bob Evans	Q	.09	11-13	12-1
Hanna,MA.	Q	.12	11-25	12-11
RFS Hotel Inv	Q	.385	11-10	11-16
Sara Lee	Q	.25	12-1	1-1
SPECIAL				
Albank Fincl	c	.14	1-12	11-23
c- pending merger with Charter One Fincl.:				
OMITTED				
Redwood Trust	-			

Company	Per	Amt	Rec	Pay
YEAREND				
Equus II Inc	d	.65	11-16	12-30
d- pay date approx.:				
REGULAR				
AT Plastics	Q	.045	11-16	12-2
Aaron Rents	S	.02	12-4	1-4
Applied Pwr	Q	.015	11-17	11-30
Arnold Indust	Q	.11	11-17	12-3
EnergySouth Inc	Q	.22	12-15	1-1
FstFedSv Sioux	Q	.12	11-13	11-27
Fst Fin Bkshrs Inc	Q	.275	12-15	1-2
Franchise Finance	Q	.47	11-10	11-20
Hubco Inc	Q	.25	11-13	12-1
Ingersoll-Rand	Q	.15	11-17	12-1
Jefferson Pilot	Q	.295	2-12	3-5
Liberty Corp	Q	.22	12-15	1-2
SJNB Fincl	Q	.14	11-16	12-7
Seagram Co	Q	.165	12-1	12-15
Seligman Sel Muni	M	.062	11-13	11-25
Summit BkCo GA.	Q	.10	11-13	11-25
Timberland Bncp	Q	.06	11-6	11-20
Trust Co NJ,	Q	.12	11-6	12-1
Utilicorp United	Q	.45	11-20	12-12

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Nov. 4, 1998

Grains

CORN (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Dec 98	217	215¾	215½	-1¼	145,812
Mar 99	228	226¼	226½	-1½	88,721
May 99	235½	234	234¼	-1¾	94,692
Jul 99	240½	239	239¼	-1½	42,510
Sep 99	246¾	245	245	-1¾	6,615
Dec 99	253	251¼	252	-1½	19,202
Mar 00	260½	259½	260	-1½	175

Est. sales N.A. Tue's sales 45,059
Tue's open int 338,971, up 910

ORANGE JUICE (NCTN)
15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Nov 98	116.30	114.35	115.35	+1.15	685
Jan 99	118.40	115.70	116.90	+1.25	13,027
Mar 99	120.25	118.00	119.00	+1.20	5,698
May 99	120.90	120.00	120.90	+1.20	1,390

Est. sales N.A. Tue's sales 2,331
Tue's open int 21,853, off 163

Metals

GOLD (NCMX)
100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Nov 98			290.90	+2.10	1
Dec 98	292.70	290.00	291.80	+2.10	78,443
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EURODOLLARS (CMER)
$1 million-pts of 100 pct.

	High	Low	Latest	Chge	OpInt
Nov 98	94.74	94.70	94.71	-0.05	26,762
Dec 98	94.93	94.84	94.86	-0.06	513,453
Jan 99	95.11	95.08	95.10	-0.06	5,386
Feb 99	95.20	95.16	95.18	-0.10	2,146
Mar 99	95.41	95.23	95.26	-0.12	518,662
Apr 99	95.35	95.32	95.32	-0.12	550
Jun 99	95.50	95.28	95.29	-0.19	433,701
Sep 99	95.54	95.27	95.31	-0.20	338,716
Dec 99	95.39	95.14	95.16	-0.21	289,015
Mar 00	95.43	95.21	95.24	-0.19	225,688
Jun 00	95.26	95.05	95.09	-0.18	154,345
Sep 00	95.10	94.92	94.95	-0.15	115,994

3-MONTH EUROLIRA (LIFFE)
ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 98	96.340	96.310	96.310	—0.030	185,453
Mar 99	96.640	96.610	96.620	—0.020	262,715
Jun 99	96.680	96.670	96.670	—0.020	77,716
Sep 99	96.690	96.670	96.670	—0.030	44,769
Dec 99	96.560	96.540	96.550	—0.030	47,256
Mar 00	96.630	96.590	96.600	—0.030	56,169
Jun 00	96.530	96.510	96.510	—0.030	43,572

Est. sales: 19,008. Prev. sales: 22,409
Prev. open int.: 720,621 up 4,361

Industrials

COTTON 2 (NCTN)
50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Dec 98	68.80	67.80	68.46	+0.57	34,863
Mar 99	67.90	67.05	67.59	+0.39	23,987
May 99	68.30	67.65	67.98	+0.35	14,097
Jul 99	68.60	68.10	68.47	+0.47	10,067
Oct 99			68.55	+0.32	883

Est. sales N.A. Tue's sales 7,036
Tue's open int 94,188, off 1,740

FTSE 100 (LIFFE)
£25 per index point

	High	Low	Latest	Chge	OpInt
Dec 98	5691.0	5601.0	5644.0	+120.0	198,712
Mar 99	N.T	N.T	5711.0	+122.0	12,134
Jun 99	N.T	N.T	5758.0	+124.0	7,540

Est. sales: 25,295. Prev. sales: 23,711
Prev. open int.: 218,386 off 3,833

CAC 40 (MATIF)
FF200 per index point

	High	Low	Latest	Chge	OpInt
Nov 98	3696.5	3615.0	3695.0	+105.0	205,262
Dec 98	3708.0	3628.0	3704.0	+105.5	80,142
Mar 99	3699.0	3670.0	3731.0	+106.5	37,834
Sep 99	N.T.	N.T.	3713.5	+104.5	39,225
Mar 00	N.T.	N.T.	3770.0	+102.0	6,180
Sep 00	N.T.	N.T.	3755.0	+99.0	500

Est. sales: 62,221
Open int.: 369,143 off 4,228

Commodity Indexes

	Close	Previous
Moody's	1,188.40	1,190.30
Reuters	1,492.50	1,483.90
D.J. Futures	124.01	123.98
CRB/Bridge Futures	205.42	204.95

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

مكرر من الأصل

EUROPE

Moscow Sets Condition That Stalls Talks With Creditors

Bloomberg News

MOSCOW — Russia's talks with international banks on restructuring debt on which the country has defaulted are dragging on because Russia wants the agreement to include commercial banks' obligations to settle currency contracts, a Russian official said Wednesday.

Russia defaulted on 281 billion rubles ($17.76 billion) in Treasury bills and bonds Aug. 17 and is negotiating a plan to replace the securities with longer-term dollar-denominated bonds. Talks with foreign creditors, who hold about a third of the bonds, have extended into a sixth week.

An agreement with foreign creditors is central to Russia's hopes of receiving additional international financing. Without outside aid, the government would be forced to print money to cover its spending, which would fuel inflation.

One of the main sticking points is Russia's demand to include commercial banks' currency forward contracts, or obligations to deliver dollars for rubles, totaling about $10 billion, in any agreement. Moscow made the demand in hope of rescuing some failing banks.

"If foreign creditors don't solve this problem for us, and negotiations drag on, we can't solve our problems within Russia," said Oleg Vyugin, deputy finance minister, in comments carried on NTV television. "Everything is hanging on a thread."

First Deputy Prime Minister Yuri Maslyukov said the government may have to reschedule some of its foreign debt to ease pressure on its budget. Russia has $17.5 billion in foreign debt payments due next year and $3.5 billion due this year, and this is too heavy a burden for the budget, Mr. Maslyukov said.

The ruble forward contracts, which often were packaged and sold to foreign investors along with ruble-denominated government bonds, have already triggered legal action against Russian banks by Deutsche Bank AG and Lehman Brothers Holding Inc.

The central bank imposed a moratorium on settlement of forward contracts and other derivatives between Russian banks until Jan. 1.

In the talks with foreign creditors, the two sides agree that Russia would offer longer-term dollar-denominated bonds to replace the ruble-denominated Treasury debt, though they remain far apart on most details.

The International Monetary Fund this week rejected the government's economic plan, which it presented Saturday, to increase regulation of the economy, give cheap loans to industry and print money to pay wages. The IMF said it would not renew financing until the government proposed a "realistic" 1999 budget. Russia has said it will print at least 12 billion rubles before year-end to pay back wages.

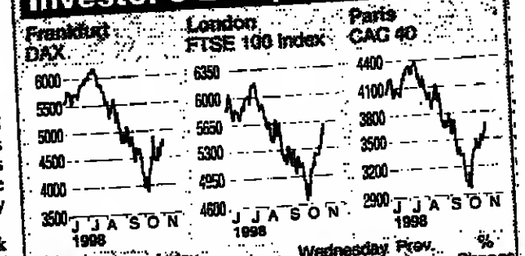
■ Gazprom Stake for Sale

Russia said it had put on sale 2.5 percent of Gazprom, the country's natural-gas monopoly and its biggest company, at a starting price of $651 million to try to raise money to trim its budget deficit.

President Boris Yeltsin this week allowed the government to split a 5 percent stake in the company into smaller chunks to try to attract investors who have been reluctant to risk taking such a large stake.

Igor Shchyogolev, a government spokesman, said Moscow had not yet set a date for the sale. He said the starting price, set in dollars, would be paid in rubles at the market rate on the sale date.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	1,059.61	1,034.40	+2.46
Brussels	BEL-20	3,307.72	3,262.84	+1.38
Frankfurt	DAX	4,841.72	4,705.08	+2.90
Copenhagen	Stock Market	618.42	618.42	Unch.
Helsinki	HEX General	4,572.32	4,554.34	+0.39
Oslo	OBX	545.72	542.97	+0.51
London	FTSE 100	5,622.90	5,503.90	+2.16
Madrid	Stock Exchange	799.99	784.55	+1.97
Milan	MIBTEL	20809	20204	+2.99
Paris	CAC 40	3,684.16	3,583.64	+2.88
Stockholm	SX 16	3,629.90	3,542.29	+2.47
Vienna	ATX	1,178.92	1,163.08	+1.36
Zurich	SPI	4,261.78	4,177.56	+2.02

Source: Telekurs

International Herald Tribune

Swatch Sells Holding In Smart Car Project

Compiled by Our Staff From Dispatches

FRANKFURT — Daimler-Benz AG said Wednesday that it had bought out Swatch Group's 19 percent stake in the venture that produces the Smart car, turning the unit into a wholly owned subsidiary.

Daimler, which raised its stake in the venture, called Micro Compact Car AG, from an original 50 percent to 81 percent last year, did not disclose terms of the purchase. The two companies agreed in 1994 to build what was initially dubbed a "Swatchmobile."

But plans to develop a car that actually carried the Swatch brand faltered, dampening the Swiss company's interest in the project.

The Stuttgart-based transport and service conglomerate, poised to complete its $42 billion purchase of Chrysler Corp. this month, said it would inject further cash into Micro Compact Car.

Derided by critics as a "shopping bag on wheels," the two-seat Smart car developed by Daimler and the Swiss watchmaker took to Europe's roads last month after a six-month delay.

Micro Compact Car said it expected sales of at least 120,000 for its subcompact mini coupe next year and to deliver 22,000 this year.

Sales were going well in Germany, Austria and Switzerland, the company said last month. In Spain, Belgium and the Netherlands, they were below expectations, while in France and Italy it was too early to judge its popularity, the company said.

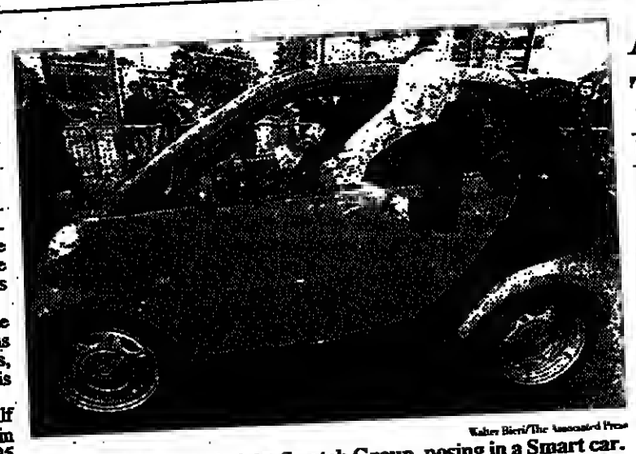
Priced at about 17,000 Deutsche marks ($10,250), the Smart car aims to attract young urban consumers, although some analysts say the car is overpriced and too small.

Assembled in only four and a half hours at a plant in Hambach in France, the car is 2.5 meters (8.25 feet) long and 1.45 meters wide with a weight of 680 kilograms (1,500 pounds).

Swatch, which earlier this year denied it wanted to sell its stake in Micro Compact Car, exited the venture four and a half years after Daimler first agreed to help Swatch build its first car. Other automakers, including Volkswagen AG, snubbed Swatch's efforts to find a partner.

Daimler said the Smart car would become one of six "integral" brands of DaimlerChrysler AG, the company resulting from the combination of the two auto giants.

"It's really good news" that Swatch is going "back to its watchmaking roots," said Urs Diethelm, an analyst at Bank J. Vontobel & Co. *(Reuters, Bloomberg)*


Walter Bieri/The Associated Press

Nicolas Hayek, chief of the Swatch Group, posing in a Smart car.

Tough Times Hit KLM Net

Compiled by Our Staff From Dispatches

AMSTELVEEN, Netherlands — KLM Royal Dutch Airlines NV said Wednesday that its second-quarter profit plunged 59 percent because of lower Asian spending, a strike at its U.S. code-sharing partner Northwest Airlines and lower capital gains.

The fourth-biggest airline in Europe earned a net 361 million guilders ($213.7 million), down from 884 million guilders a year ago. The 1998 result included a 101 million-guilder profit from the sale of holdings, including a stake in the British tour operator Unijet. The 1997 figure included a 421 million-guilder profit from the sale of KLM's Northwest Airlines stake.

Sales fell to 3.70 billion guilders in the quarter from 3.72 billion a year ago. The carrier pledged further cost cuts to meet its profit forecast for the year, but it said market conditions were unlikely to improve soon. KLM shares closed at 58 guilders, up 60 cents. *(Bloomberg, Reuters)*

Alcatel Plans To Revamp Phone Unit

Bloomberg News

PARIS — Alcatel SA said Wednesday it would change the management structure of its telecommunications unit, which accounts for two-thirds of its business, to help it react more quickly to changing technology and customer needs.

Members of the subsidiary's executive committee will take responsibility for overseeing the unit's 10 business divisions and its seven geographic areas. In the past, the business divisions reported to the chief executive, Serge Tchuruk, while the geographic areas reported to Jozef Cornu, the chief operating officer.

The change comes two months after Alcatel shocked analysts and investors by warning that first-half profit would fall short of forecasts because of a drop in orders from former phone monopolies such as Deutsche Telekom AG as well as the slowdown in Asia and Russia.

"The big problem they had in the second quarter," said Sean Faughnan, an analyst at J.P. Morgan Securities in London, "was that there was incorrect information coming to senior management, and they didn't have the systems in place to spot it, so they got their forecasting very, very wrong." Alcatel shares rose 26 francs to close at 629 ($112.80).

Very briefly:

- **Bayerische Motoren Werke AG's** sales in the first nine months of 1998 rose 5.1 percent, to 46.1 billion Deutsche marks ($28.5 billion).
- **Bell SA**, a Luxembourg investment group, purchased an 8 percent stake in Olivetti SpA, becoming the biggest investor in Italy's second-largest telephone company. The purchase will lift Bell's stake to 10 percent.
- **Baan NV**, a European maker of business-management software, is negotiating with Dutch labor unions to save an unspecified number of jobs endangered by its cost-cutting program announced last week.
- **Deutsche Bank AG** is no longer interested in buying UBS's Swiss branches. UBS was told by Swiss regulators to sell as many as 35 retail units as part of the approval process for the merger of Union Bank of Switzerland and Swiss Bank Corp. in June.
- **Britain** plans a new law to allow companies in danger of bankruptcy to keep creditors at arms' length for three months while they try to work out payment arrangements.
- **Sandvik AB** of Sweden plans to cut 2,000 jobs by the end of 1999, both as part of a planned restructuring and in response to the global economic slowdown.

Bloomberg, Reuters

EU Plans 'Euro Team' for Summits

Bloomberg News

BRUSSELS — The European Commission proposed Wednesday to send a team of three economic ambassadors to represent its planned single currency at global summit meeting, to try to ensure that the future 11-country monetary bloc speaks with one voice internationally.

The proposal is subject to approval by European Union governments.

WORLD STOCK MARKETS

Wednesday, Nov. 4

Daily prices in local currencies.

Telekurs

Market Closed

The Bombay stock market was closed Wednesday for a local holiday.

To Our Readers

Prices on the Buenos Aires stock exchange were not available because of technical problems at the source.

NYSE

Wednesday's 3 P.M.

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge

A-B-C

D-E-F

G-H-I

J-K-L

M-N-O

Continued on Page 25

ASIA/PACIFIC

Thailand to Request Consumer Price Cuts

Bloomberg News

BANGKOK — Thailand, which recently declared inflation under control, said Wednesday it would ask producers and sellers of 18 groups of consumer goods to cut prices to reflect recent gains by the baht.

Cement, shampoo, rice cookers, detergents and insecticides are among the goods targeted, said Deputy Commerce Minister Paitoon Kaewthong, who added that talks have been held with some producers, who were receptive to price cuts.

The government will only ask for cooperation, not impose specific price targets, he said.

The baht has gained nearly 10 percent against the dollar over the past six weeks and recently traded at a 13-month high of 37 baht per dollar. That has given a windfall to manufacturers that use imported materials, the deputy minister said. As the baht gains, imported goods become cheaper in local currency terms.

The dollar closed in Bangkok on Wednesday at 36.64 baht.

The request comes in the same week that the Commerce Ministry lowered its inflation forecast for the year. The revision was triggered by a report that consumer prices fell for a second month in October as a stronger baht cut prices on imported goods such as oil and grain.

The Commerce Ministry this week said it expected inflation to average 8.1 percent to 8.2 percent this year, compared with a forecast of 9.2 percent made jointly with the International Monetary Fund in August.

Chatumongkol Sonakul, governor of the central bank, said Wednesday that inflation in December should be 4 percent "or lower."

Keeping prices under control is crucial to Thailand's export competitiveness as well as containing social problems.

The consumer price index in October fell 0.2 percent from September, matching the previous month's decline. The August decline marked Thailand's first deflation since December 1994. The year-on-year rate in October was 5.9 percent.

Since Thailand devalued its currency in July 1997, the government has hovered over producers and retailers. An unofficial price-increase limit of 20 percent was ordered on 52 items about a year ago, although the baht weakened by as much as half against the dollar at one point in January. That squeezed profit margins of many manufacturers.

Tsu-Chuan Yeh/Agence France-Presse

MICROPHONE MELEE — Paul Chiu, Taiwan's finance minister, being swamped Wednesday by reporters asking if the government would help companies affected by share-settlement defaults that caused the stock market to tumble.

LTCB Gets New Life as State Bank

Compiled by Our Staff From Dispatches

TOKYO — Long-Term Credit Bank of Japan Ltd., dragged down to virtual collapse by bad loans, embarked on a new life Wednesday as a nationalized bank.

Takashi Anzai, 57, an executive director from the Bank of Japan, and his management team now must clean out the bad loans and prepare the bank for a new buyer. They will also investigate whether former executives should be punished for bringing the bank to its knees.

Japan's 10th-largest lender, the bank was taken over by the government last month under a 60 trillion-yen ($520 billion) bailout package. The same day it got a 3 trillion-yen emergency loan through Deposit Insurance Corp., the semipublic corporation that distributes money to failed banks.

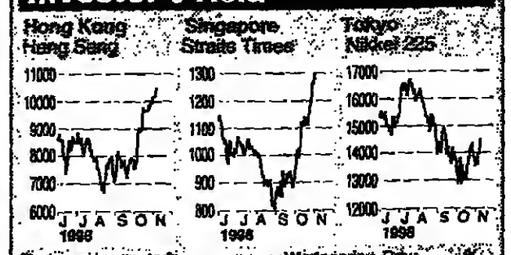
Mr. Anzai said the bank was likely to need more public funds before it was ready to be sold.

"Some of those who lent to us will want their money returned, so it's inevitable that the amount we borrow from the Deposit Insurance Corp. will increase," Mr. Anzai said. "But we hope to lay out our direction as clearly as possible to win back confidence and the ability to raise money on our own."

He said the bank's depositors "should rather be relieved," given the state's promise to protect the bank's assets and take over loans to healthy borrowers. The actions of LTCB's previous managers will come under scrutiny, he said.

(AFP, Bloomberg)

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,508.26	10,350.52	+1.45
Singapore	Straits Times	1,301.85	1,269.47	+2.57
Sydney	All Ordinaries	2,679.90	2,675.60	+0.16
Tokyo	Nikkei 225	14,327.81	14,362.75	-0.12
Kuala Lumpur	Composite	431.70	421.81	+2.32
Bangkok	SET	354.11	343.18	+3.19
Seoul	Composite Index	413.47	407.64	+1.43
Taipei	Stock Market Index	6,905.32	7,071.44	-2.35
Manila	PSE	1,714.09	1,691.06	+1.36
Jakarta	Composite Index	330.46	317.18	+4.19
Wellington	NZSE-40	1,965.81	1,959.98	+0.30
Bombay	Sensitive Index	Closed	2,812.08	

Source: Telekurs — International Herald Tribune

Very briefly:

• **Guangzhou Investment Co.**, a mainland-backed holding company, is raising 556 million Hong Kong dollars ($74.7 million) by selling 643 million new shares at 91 cents each on the Hong Kong stock market. The company is using the proceeds to buy a cement plant in China and to invest in a housing project in Guangzhou, and for working capital.

• **Merrill Lynch Japan Securities Co.** has applied to become part of Japan's postal savings network of 24,000 automated-teller machines. The broker, which would be the first foreign-owned securities company to join the network, has not decided yet whether it will install ATMs at its 33 sales branches.

• **Citizen Watch Co.**'s first-half earnings slumped 27 percent, to 2.49 billion yen ($215.9 million) as its rival **Seiko Corp.** drove down industry prices of components and watches. Sales rose 1 percent, to 102.07 billion yen.

• **San Miguel Corp.**, the Philippines' largest brewer, confirmed for the first time that it plans to sell its 22 percent stake in **Coca-Cola Amatil Ltd.** But San Miguel plans to wait until shares in the Australian firm recover.

Bloomberg

Bridgestone Revs Up Formula 1 Campaign

Bloomberg News

TOKYO — When Mika Hakkinen flashed across the finish line on Sunday to win the Formula One driving crown, a deafening cheer went up in the Bridgestone Corp. garage behind pit row.

Bridgestone, competing with Michelin SCA and Goodyear Tire & Rubber Co. for the title of world's biggest tiremaker, supplied the tires for Mr. Hakkinen's silver and black McLaren-Mercedes race car. Mr. Hakkinen and Bridgestone clinched the championship after a Goodyear tire on Michael Schumacher's red Ferrari blew out just over half way through.

The maker of Bridgestone and Firestone tires is leading a surge of Japanese companies into Formula One racing. Honda Motor Co. hopes to take advantage of the sport's popularity in Europe to sell more cars there.

Much of Bridgestone's 10 billion-yen ($86.7 million) annual investment in racing is directed at Formula One. The reason for the investment is that Bridgestone, which has 20 percent of the tire market in Asia, Latin America and the United States, lags behind in Europe with just 11 percent. It is hoping Formula One will help it catch up.

In a survey this year, 35 percent of Germans identified Bridgestone as a tiremaker in 1998, double the figure in 1996, the year before the company entered Formula One, said Mr. Kitawaki. The figure in Britain is 29 percent now, compared with 7 percent in 1996.

Bridgestone and Honda are entering Formula One as Goodyear and the Tyrrell racing team bow out after more than three decades of supplying tires and cars.

Honda, Japan's third-largest automaker, said it would enter an F-1 car as early as 2000 and Toyota Corp., the biggest, said it was considering following suit.

FASHION: *Small Designers Fall Victim to Tough Economic Conditions as the Big Names Dominate*

Continued from Page 15

sales clerks' salaries. To increase their influence over retailers, Donna Karan, Tommy Hilfiger and Ralph Lauren have expanded into lower-priced lines.

Discount chains have added to the competitive environment by introducing their own designer products.

As a result, small designers, especially those that link couture to mainstream fashion in a product known as a bridge line, are under intense pressure to justify their existence.

"The apparel industry is a microcosm of the big picture" of the economy, said Bud Konheim, chief executive of Nicole Miller, a company once synonymous with a "must-have" little black dress. "It's survival of the fittest, and it offers tremendous opportunities for those who know how to survive."

The $85 billion women's apparel market has been relatively flat, with revenue growing just 12 percent in the past five years, according to Tactical Retail Monitor, an industry newsletter.

For many fashion companies, that means the only way to gain market share has been to grab it from other companies, and the stiff competition has caused designers to cut prices this year by about 30 percent, retail analysts and executives said.

Even large publicly held fashion companies have not been immune, and their share prices have suffered this year. While some companies have increased their presence in stores and have seen gains — often, however, through lower prices — investors have been resolutely downbeat about the prospects for consumer spending on fashion.

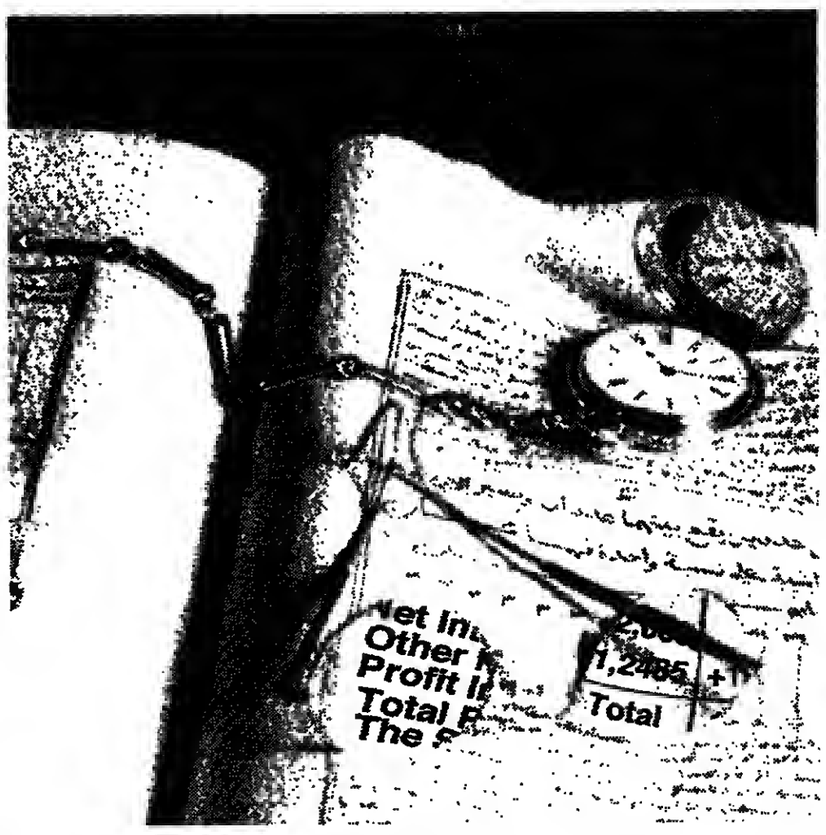
Shares of Donna Karan, for example, are down more than 41 percent this year; they fell Tuesday after the company reported third-quarter earnings that were below Wall Street estimates and warned that it would only break even for the year. In late trading Wednesday, the shares were at $7.75, up $1.25 cents.

Other apparel and fashion stocks have been weak. Liz Claiborne is down almost 25 percent for the year, and Jones Apparel is off 13 percent. Faring slightly better is Polo Ralph Lauren, down about 9 percent, while Tommy Hilfiger is ahead of the pack, with its stock up about 32 percent this year.

But there are smaller, independent design companies that have thrived lately, in many cases by rethinking the way they do business to compete in leaner times.

Companies such as Nicole Miller and Tahari Ltd. are streamlining inventories and speeding production to respond more quickly to changing tastes and to eliminate the need to cut prices to sell slow-moving products. Others, such as the women's-suit maker Kasper ASL Ltd., are scrambling to consolidate as a way to gain influence among retailers and broaden their product lines.

Other companies such as BCBG Max Azria and Garfield & Marks are trying to wrest themselves from the control of the department-store giants by showcasing their fashions in small specialty shops or in their own retail stores. This frees them from the pressures of slashing prices to compete.



INTERNATIONAL INVESTING

World Market Troubles Buffet U.S. Property Deals

By Laura M. Holson and Charles V. Bagli
New York Times Service

NEW YORK — The stylized map of Manhattan skyscrapers on the wall behind Andrew Stone's desk at Credit Suisse First Boston is peppered with tiny yellow dots, each representing a real-estate deal in which he had a hand.

There are more than 140 in all, from 17 Battery Place and 40 Wall St. in lower Manhattan to the St. Moritz Hotel on Central Park South and the Vinegar Factory on the Upper East Side. In just under three years, Mr. Stone, a confessed deal junkie and the head of CS First Boston's principal transaction group, poured more than $5 billion into commercial real-estate loans and equity investments in New York, a total of $24 billion nationally.

So aggressive was his approach that in February, CS First Boston backed five of the seven bidders for 48 Wall St., a landmark building in the heart of the financial district.

"Relationships aren't our strength," Mr. Stone acknowledged last spring. "We love the market. If three guys are bidding, we'll back all three. We don't like to pick the partner we like best."

But the market Mr. Stone loved a few months ago is not the market of today. The boom that be — and the investment banks of Nomura Securities Co. and Lehman Brothers Inc., among others — had fueled came to a screeching halt when global turmoil roiled markets in late summer.

Real-estate deals collapsed. Initial public offerings were called off. The "flight to safety" that drove down stocks as investors sought comfort in Treasury bonds also decimated the market in the mortgage-backed securities that Wall Street sold to finance its real-estate lending.

Nervous investors flashed back to the early 1990s, when inflated property values collapsed and overbuilt downtowns teemed with dark and half-empty buildings.

"We haven't hit our heads on the windshield, but it makes people think about how the world was five or six years ago," said Mark Teitelbaum, senior managing director of investment sales at Julien J. Studley Inc., a New York real-estate company.

How did real estate — the most local of businesses — become exposed to the hazards of globalization? By coming to rely on Wall Street, the nerve center of the global economy, for financial backing.

Commercial banks and savings-and-loan institutions stumbled — and in some cases collapsed — under billions of dollars of bad real-estate loans in the recession of 1990-91, and they had all but stopped lending to developers and landlords.

Bankers such as Mr. Stone and Ethan Penner of Nomura Securities became the kingmakers in real estate, stepping in as traditional banks bowed out. Their innovation was to turn commercial mortgages into securities. Instead of just letting the loans clutter up their own balance sheets, investment banks pooled the loans, then split the pools into classes rated from triple-A on down, just like municipal bonds or commercial paper, and sold the loans — under the name "commercial mortgage-backed securities" — to institutions, including pension funds, hedge funds and mutual funds.

In essence, they shared the wealth — and risk. The dollar value of commercial loans made by investment banks blossomed, from $17 billion in 1993 to $50 billion in the first eight months of 1998, according to Commercial Mortgage Alert, a newsletter. That river of cash allowed speculative buyers and developers to outbid each other for properties, driving prices ever higher.

Now, though, with investors demanding steeper returns on mortgage-backed securities or refusing to buy loans warehoused on the investment bankers' balance sheets, Wall Street has tightened the capital spigot to a trickle.

As a result, the real-estate deals that aren't coming unwound are shriveling; properties are commanding as much as 25 percent less than sellers expected in June.

"Don't worry, the market'll come back," Steven Roth, chairman of Vornado Realty Trust, told a crowd of real-estate professionals at a recent conference. "You'll just be as old as I am when it does."

The company's stock was at $35.9325 in early trading Wednesday, up $1.125 on the day, compared with a high of $49.1719 in January.

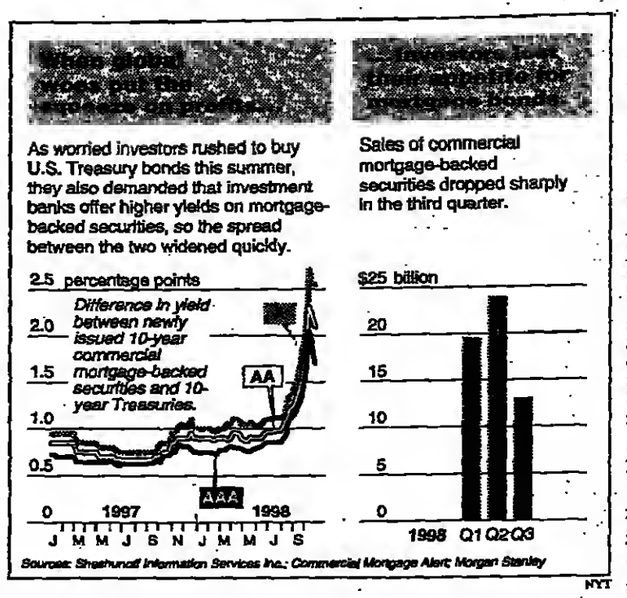
Warnings like that were almost unthinkable three months ago, and, to students of real-estate fundamentals, hard to understand even now.

Demand for office space is rising in most cities; the current troubles are rooted in the way Wall Street financed growth, not in supply and demand for space. That suggests that the next downturn in real estate may be less devastating than the last because the excesses of the market are being weeded out. Already, bankers are limiting loans to 70 percent of a property's value, compared with 95 percent three months ago.

With investment banks beholden to fixed-income investors who will not tolerate losses in their own portfolios, market discipline is having its salutary effect. "Gone are the days when the investment banks are going to buy wildly speculative deals where the cash flow is not in place," said Peter Hanspurg, chairman of Eastern Consolidated Properties.

Steven Witkoff was one of the first real-estate meteors to streak across the New York skyline after the commercial real-estate recession ended in the mid-1990s. Starting with a small office tower in 1995, he quickly acquired 30 buildings in five cities; as much as 95 percent of the financing was provided by Credit Suisse First Boston or Lehman Brothers. For three years, Mr. Witkoff was a profitable jump ahead of a rapidly rising market.

"Witkoff had the vision to get in there when nobody else did," said Stephen Siegel, president of the New York-based real-estate company Insignia/ESG and an adviser to Mr. Witkoff. "He bought his first building before anyone saw any appeal in the downtown market."



But Mr. Witkoff's current maneuvering is indicative of just how the financial markets have shaken the real-estate operators who benefited so handsomely from Wall Street's free flow of financing. In recent weeks, Mr. Witkoff, 41, has struggled to hold his biggest trophy: the Woolworth Building, the handsome Gothic tower near City Hall in lower Manhattan.

He beat out rival bidders in July with what many experts thought was a rich offer: $157 million, or $160 a square foot. Three years earlier, Mr. Witkoff and other buyers could have acquired downtown buildings for $17 a square foot. But in the summer of 1998, buyers had already snapped up the bargains, and many deals were being based on a projected spike in rents, not existing cash flow.

Then world markets tumbled, and Lehman backed away in September from financing the Witkoff deal.

Fearing he would lose the building, but reluctant to pay what now seemed like an exorbitant price, Mr. Witkoff pressed Venator Corp., as Woolworth Corp. had been renamed, to renegotiate. Venator, eager to close the deal by the end of the year and fearing that another buyer would offer even less, agreed.

They signed a new deal that is scheduled to close in early December for $137 million, a 14 percent discount from the original price.

Real-estate brokers and developers say the retreat by Wall Street lenders has taken the froth out of the market. Besides falling prices, the number of prospective buyers will probably drop, too, as lenders insist on higher levels of equity. But, they add, real-estate markets in most of the United States remain healthy, if only because vacancy rates are low and — in most places — there are few new office towers on the way.

"Wall Street has gotten religion," said Mitchell Steir, executive vice president of Julien J. Studley. "Instead of chasing every deal in their path, they've decided to shut off the spigot for the time being. Now, deals will have to stand on merit, rather than on some dream-like fantasy about rents."

Intervention's Downside: Many See Hong Kong Stocks as Poised for a New Fall

By Philip Segal
International Herald Tribune

HONG KONG — For the Hong Kong stock market, the bad old days of gyrating, plunging stocks may be just around the corner, analysts say, in part because the government has spent billions of dollars propping up prices.

With stocks up almost 60 percent since the government spent $15 billion in the market at the end of August, helped by lower interest rates and shrinking concerns about a global financial meltdown, an investment in leading Hong Kong stocks has proven to be one of the best short-term investments anyone could have made anywhere in the world.

Stocks rose again Wednesday, with the benchmark Hang Seng index gaining 149.73 points, or 1.45 percent, to 10,508.25.

The effect of the government's intervention was to reduce the total number of shares available for purchase by the public, taking about 14 percent of total stock out of play. Although they are technically able to sell their mountain of stock holdings, the authorities have promised not to, not least because that could send the market crashing.

With fewer stocks outstanding, it has taken fewer purchases to make the market go up. But if sentiment turned, it also would take fewer sales to make it go down as dramatically as it has risen. The free float of some stocks has fallen by as much as a quarter.

"The long-run effect of taking stock out of the system is going to make for a smaller free float, which makes for a more volatile stock," said Eric Sandlund, fund manager at Prudential Portfolio Managers in Hong Kong.

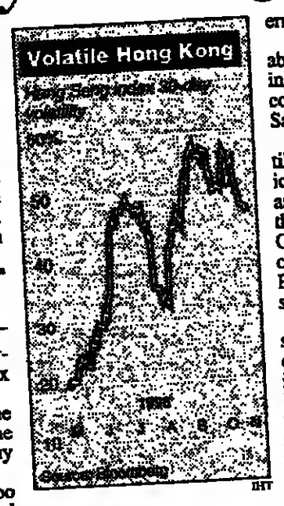
As many now see it, that is a risk that is rising each day. "The market is certainly overvalued against reasonable estimates of earnings growth," said Deep Kapur, chief regional strategist for Salomon Smith Barney.

He is not alone in that view. Based on real-estate stocks that are now trading as if apartment prices had not fallen 50 percent to 60 percent over the past year, the vice president for research at SG Securities, Alan Dalgleish, figures the Hang Seng Index is poised to fall by more than 40 percent in the near term. Dresdner Kleinwort Benson sees the index down 31 percent from here within six months.

That would make for the kind of market volatility the government was trying to buy its way out of last August.

While analysts say it is too soon to draw firm statistical conclusions, by initial measures the historic volatility of the Hang Seng index is higher now than it was when the government waded into the market Aug. 28, becoming practically the only buyer on the market's busiest day in history.

The index's 30-day historic volatility was 45.8 percent on that day, but on Nov. 2 it stood at 48.5 percent.



For now, the increasingly interventionist government here appears happy with the performance of the stock market. Even if stocks are by some measures just as volatile as before the intervention, the authorities may not be as upset with that fact as they were, because stocks have gone the way the government wanted: way up.

"That's the funny thing about volatility. When it's going your way, you tend to complain less about it," Mr. Sandlund of Prudential said.

As for shorter-term volatility, that has fallen dramatically since the interventioo as stock prices have risen, but that is to be expected, said Chen Jing, a derivatives specialist in the Department of Finance at National University of Singapore.

If stocks shoot up in a straight line over a short period, that makes them by definition less volatile, but then "people start to forget about fundamentals," Mr. Chen said. "In the long term, the market is going to be quite dangerous."

While the government is propping up stocks, it has taken the opposite tack in dealing with the currency market. There, anthorities found that squeezing liquidity between April and September simply made it easier for a few parties to drive interest rates up by selling Hong Kong dollars. As a result, in September the government made changes to Hong Kong's currency board system and allowed for much greater liquidity in the money market.

Yet in the stock market, the solution has beeo to buy stocks and keep them off the market, which reduces liquidity and risks making stocks more volatile.

It was high volatility for much of the past year that gave speculators the opportunity to engage in the what the authorities have referred to as a "double play": selling the Hong Kong dollar with profits made in the stock index futures market.

The higher the volatility of the Hang Seng index, the more profits there were to be plowed into short-selling the currency.

ASIAN STOCKS

Very briefly:

• **Brazil's** new austerity proposals, plus a new willingness by industrial countries to lend to troubled economies before they collapse, has made Latin American bonds ripe for investment, according to a new report by the fixed-income group at Citibank, a subsidiary of Citigroup. U.S. investors have been wary of Latin America since midsummer, when huge economic problems came to light in Japan, the rest of Asia and Russia and were thought likely to spread.

• **The U.S. Securities and Exchange Commission** has approved the listing of 11 of the 12 companies formed by the breakup of the Brazilian phone company **Telecommunicacoes Brasileiras SA**, or Telebras. The approval should pave the way for trading soon of the 11 companies on the New York Stock Exchange. Shares of the 12 companies soared in Sao Paulo, and the American depositary receipts of Telebras rose in New York.

• **Morgan Stanley Dean Witter & Co.** has turned bullish on Asia, increasing its weightings for Hong Kong, Singapore and Thailand in its model portfolio and cutting cash to 10 percent from 24 percent. The change reflects stable Asian interest rates and expectations that the United States and Europe will keep lowering rates, said Markus Rosgen, Asia strategist at Morgan Stanley in Hong Kong. Bartoo Biggs, Morgan Stanley's global strategist, this week raised the Japan weighting in his model portfolio.

• **Prudential ICICI Asset Management Co.** of India will extend its slumping five-year-old ICICI Premier motnal fund, due to close Feb. 7, for another five years, and replace some stocks with boods in its portfolio. The close-ended fund of 1.1 billion rupees ($26.1 million), sold to investors in November 1993 at 10 rupees per unit, now has a oet asset value of 7.28 rupees. Most of the investments, which went into stocks, devalued in line with a 40 percent drop in the BSE200 Index of 200 stocks listed on the Mumbai Stock Exchange, which the fund tracked.

• **T. Rowe Price Associates Inc.**, the 10th-biggest U.S. motual fund company, has applied for permission to open a federal savings bank to sell certificates of deposit directly to customers. Certificates of deposit, or CDs, are issued by banks and pay interest to holders. The move is part of an ongoing trend in the U.S. financial services business where companies are increasingly encroaching on each other's turf.

• **Poland's** largest privatization to date — the sale of between 15 percent and 25 percent of the state telecommunications company, Telekomnnikacja Polska SA — will be priced Saturday in London, the government said.

AP, Bloomberg, Reuters

SUSTAINABLE DEVELOPMENT: SOLUTIONS THROUGH PARTNERSHIPS

Whether the issue is climate change — currently under discussion at the COP 4 conference in Buenos Aires — technology cooperation or other key concerns, it is clear that global progress on the environment can only be achieved by partnerships between all stakeholders in all regions of the world. Foreign direct investment as a proportion of capital flow into developing countries increased from 33 percent in 1991 to 75 percent in 1996, reflecting the importance of the private sector as a partner in these initiatives.

MULTI-STAKEHOLDER DIALOGUE CRUCIAL ELEMENT IN GLOBAL SOLUTIONS

Sustainable development is only achievable when all sectors of society participate.

To the business world, environmental performance is increasingly seen as a competitive and strategic issue for companies. As a result, growing numbers of companies are recognizing the value of strategic alliances with stakeholders who have traditionally beeo on different sides of the table when it comes to the environment.

Governmeots, industry associations, business groups, academics and scientists, local communities and inter- and nongovernmental organizations are all forging partnerships with industry to further the cause of sustainable development. Such alliances between organizations with a wide range of experieoce and expertise promise to offer high payoffs for all the partners — and for the global environment itself.

This march toward finding global environmental solutions through public-private partnerships has become a necessity in the six years since the Rio de Janeiro World Summit on Environment and Development, and particularly following the commitment of industrialized nations in Kyoto last year to binding carboo dioxide reductions.

Industry has made extensive progress in addressing the sustainable development agenda. Voluntary codes of conduct, the launch of environmental management systems and a business-driven technology revolution to introduce environmentally sound technologies represent just some of the advances that have been made.

Finding common ground

There has been a growing awareness that it is no looger sufficient for business to talk only to business. The only way to find common ground with all sectors of society is through dialogue and partoerships.

"If we look at society as a wbole, there has been a very clear shift from the situation in Rio wben the world was being described as bipolar, made up of government and nongovernment, to a tripolar world whicb represents government, business, and civil society," says Björn Stigson, president of the World Business Council for Sustainable Development. "This change reflects a recognition of the importance of business as one of the contributors to sustainable development. Today, these three poles must interact oo sustainable development issues because no one entity can implement a solution on its own. We see that if we want good, lasting solutions, we have to create partnerships and initiate multi-stakeholder dialogues."

In the late 1990s, according to John Elkington of the British environmental consultancy group Sustainability Ltd., "We are seeing the dawn of a new era in the relations between business and environmental noo-government organizations [ENGOs]." A survey by Sustaioability Ltd. of more than 60 ENGOs and companies worldwide, asking them to assess the elements of a successful partnership, showed "a surprising degree of convergence," Mr. Elkington reported last year in Tomorrow Magazine.

About 85 percent of the survey's respondents said that partnerships will increase over the oext five years and that ENGOs should get involved in more company partnerships. While some confrontation is expected, a dramatic shift has clearly taken place that favors shared responsibility among once-unlikely partoers.

Triple bottom line

As the environmental agenda broadens to incorporate sustainable development, with its "triple bottom line" (economic prosperity, environmental quality and social equity), environmental groups are realizing the key role that business can — and must — play in creating workable solutions.

At the same time, growing numbers of businesses are seeking to move beyond confrontation to forge more productive relationships with environmental organizations.

From the company perspective, the drivers of what Mr. Elkington refers to as "strange alliances" include the recognition of market pressure, the ENGOs' credibility with the public, the need for external challenge, cross-fertilization of thinking, greater efficiency in resource allocation, a desire to head off negative public confrontations and a desire to engage stakeholders.

On the plus side for environmental groups is a disenchantment with governments' ability to provide solutions, the prospect of improving financial and technical resources, and acknowledgment that business is credible to government and that environmental groups can gain access to supply chains and greater leverage.

Amoog the environmental organizations driving this trend are the IUCN (World Conservation Unioo) and the WWF (World Wide Fund for Nature).

"Partnerships between NGOs and the business sector is one of the main ways forward to solve environmental problems," says Martin Hiller, European communications manager with the WWF. "For a long time, NGOs saw the business world as a compact and rather adverse group, and this has turned out not to be the case. Many businesses are recognizing a new market development, a shift toward more environmeotally friendly products and processes. After all, business wants to be sustainable; it's an economic necessity. They recognize that legislatioo on environmental issues is inevitable, so they want to be prepared. They turn to an organizatioo like ours that has a track record of influencing legislation so that we can come up with proposals that all parties can find acceptable."

The WBCSD's Mr. Stigson acknowledges that addressing complex environmental issues in partnership with other players, who may have competing agendas, requires a high degree of compromise. Resolution may not come quickly or easily.

"But the time you may lose in the process of coming to solutions," he says, "you often gain by speeding up implementation. It is a learning process, the success of which depends on building trust. Yet this is the only reasonable way forward if we want to achieve results."

Amy Brown

"GREENING" THE SUPPLY CHAIN

While more companies are recognizing the need to adopt environmentally friendly policies, it is becoming increasingly apparent that there is a need to look at the entire supply chain throughout a particular industry. Corporations such as IBM and Apple Computers in the United States; Daimler-Benz and Siemens in Germany; Shell UK Exploration and Production, Rover and Jaguar in Britain; Toyota, NEC, Nissan and Canon in Japan are just a few of the multinationals that now require their suppliers to adopt an environmental management system that meets international standards.

Glaxo Wellcome, the pharmaceuticals and chemicals producer, has become a patron member of the Business Environment Agency in Britain. "We have helped to set up a project, ADAPT, to green the supply chain, which is based on self- assessments," comments Nancy Pekarek, communications manager in London. "We are encouraging our suppliers to meet environmental management and performance standards."

The Geneva-based World Business Council for Sustainable Development (WBCSD) has set up a Working Group to look specifically at the electronics industry. Future scenarios will be examined for sustainability and will involve manufacturers, suppliers and customers. The industry's markets, projected customer needs and government regulations will also be reviewed in order to devise innovative strategies for the future. The goal is to provide a benchmark that can help companies compare their performance and implement actions for sustainability that can also become competitive tools in business. **P.A.S.**

UNLIKELY LINK-UPS PAY BIG DIVIDENDS

Public/private partnerships drive progress.

It made for unlikely bedfellows, back in 1996, when the World Wide Fund for Nature got together with the giant frozen-fish supplier Unilever to create the Marine Stewardship Council. The council's aim is to reach worldwide agreement about sustainable fishing methods. Unilever has set itself the target of offering only fish products that originate from a MSC-certified source by the year 2005. The WWF is doing all it can to help the company meet that goal.

Public-private partnerships like the one between the WWF and Unilever are becoming more commonplace these days as governments, institutions, environmental groups, industry associations and companies join forces to ensure sustainable development. Preserving fisheries is a sustainability concern that neither NGOs nor industry can afford to ignore.

Eventually, says Martin Hiller, European communications manager for the WWF, all fish producers will have to come on board, but pioneers like Unilever need to first create a market to show more hesitant producers that initiatives like the MSC really work.

"We are a company that makes large-scale use of natural resources," says Morris Tabaksblat, chairman of Unilever. "Given our task in society, this is a legitimate use, but it also imposes on us the obligation to seek sustainability."

Sustainable forests

Like-minded companies are supporting other public-private partnerships, among them the do-it-yourself retailer B&Q, which favors the sale of wood certified by the Forest Stewardship Council. B&Q leads a buyers group representing 25 percent of the British market.

European demand is so strong that forest-product companies in countries like Bolivia are seeking certification to ensure that they are not be shut out of world markets.

In a related effort, World Bank Chairman James D. Wolfensohn has formed an ad hoc forum on forests to forge a working partnership between the bank, international forest industries, and environmental and social development organizations.

Since 1995, Sustainable Project Management, a spin-off from the World Business Council for Sustainable Development, working with the United Nations Development Program (UNDP) has placed private-public partnerships at the core of its efforts to improve water, waste and energy services in the cities of the developing world.

These partnerships allow cities to benefit from the private sector's capital, technology and management skills.

Another program, the United Nations Environment Program Industry and Environment (UNEP-IE) Industry Outreach undertakes joint projects and networking with other UN organizations, the International Chamber of Commerce, the WBCSD and other NGOs as well as more than 65 industry associations worldwide.

"We work with industry associations so that they can raise the awareness of their members and to help provide them with solutions," says Jacqueline Aloisi Delarderel, director of UNEP-IE. "We push prevention rather than cure-and-restore because we think it makes good business sense. Industry is a key actor, and you cannot resolve these issues without involving key actors."

The World Conservation Union is about to announce its first Business Advisory Panel. A group of private-sector representatives including British Petroleum, Monsanto, Volkswagen and Vivendi was appointed in 1996 to make recommendations about how to engage the private sector in IUCN work.

Javed Ahmad, director of communications at the IUCN, says that it was "quite a breakthrough" for an organization with as diverse a membership as the World Conservation Union to declare at its 1996 World Congress that private sector partnerships should be pursued.

"While some of our member organizations took the approach that there was no avoiding the decision to engage with the private sector, others said they were acting not because they were forced to, but because they wanted to. They felt the IUCN had a lot to contribute to the ongoing sustainability discussion," says Mr. Ahmad.

The goal of the Business Advisory Panel is to develop five different perspectives on what the IUCN can bring to the corporate sector, outlining how companies can use the organization's expertise as a basis for decision-making, investments and achieving other business goals.

A.B.

ENVIRONMENTAL REPORTING: TOWARD A UNIVERSAL STANDARD

Reporting on environmental compliance and voluntary initiatives is becoming both more complex and more international.

While many governments impose their own regulations, business is increasingly recognizing the importance of standards that can be compared across economic sectors and across borders. This trend is also supported by many other groups, such as local communities, environmental concerns, third-party verifiers, and accountants' and investors' organizations that need quantifiable procedures and a uniform methodology to measure results.

At present, there are a host of standards for environmental management systems. The International Standard Organization's ISO 14000 series provides specifications, guidance and advice on a wide range of environmental issues, including labeling, documentation, auditing and reviews.

Other organizations, such as the United Nations Environment Program, the Washington-based World Resources Institute and the Boston-based Coalition for Environmentally Responsible Economies are also in the process of drawing up or refining methodologies that can be universally applied.

At the European level, the Eco-Management and Audit Scheme (EMAS) is now mandatory for all member states of the European Union, but individual company adherence varies from country to country. Other international standards have been initiated or proposed by organizations such as the European Chemical Industry Council; the government of Denmark (through its "Green Accounts" program); the German Association for Environmental Management in Banks, Savings Banks and Insurance Companies; and the Swiss Bankers Association.

Best practices

At the same time, a number of consulting firms have received accreditation to monitor and verify adherence to ISO or EMAS standards. These include concerns such as Lloyd's Register Quality Assurance and Environmental Management Services International in Britain, whose clients include multinationals such as IBM, Volvo, Matsushita, Lucent Technologies, Kobe Steel and British Gas.

Coordinating their work and creating "benchmarks" for industry that measure "best practice" is an important issue in the conference currently being held on climate change in Buenos Aires.

"A lot of the work that we're doing at the moment is with oil companies," says Bob Kenyon, joint managing director at EMSI. "All the big contracting organizations, such as Kavaerner Oil & Gas and AMEC Process & Energy, which supply equipment to companies like Shell, BP and Amoco, are starting to put ISO 14001 into effect. The links are beginning to develop."

The Geneva-based World Business Council for Sustainable Development (WBCSD) has set up a working group to develop means to measure eco-efficiency and to create ways to harmonize corporate environmental reporting procedures. "Companies need tools to quantify their environmental performance and to collect comprehensive environmental data on their products and processes," says Markus Lehni, WBCSD's program manager on eco-efficiency. Such data, he adds, "will allow them to report to their stakeholders interested in knowing how these companies operate."

'Companies need tools to quantify their environmental performance and to collect comprehensive environmental data on their products and processes'

Working with other organizations and programs, such as Ceres' Global Reporting Initiative and UNEP's Insurance Initiative, the group has already defined key words and terminology and drawn up principles for "metrics"— the measurement of indicators relating to environmental performance, human health and the quality of life. It is now working on ways to specify indicators that can be universally measured by all businesses and that will be valid for all economic sectors.

The aim is to overcome the deficiencies in current standards regarding the reporting of environmental data.

As Mr. Lehni explains: "while effects such as global warming, ozone depletion and photo-smog are well accepted" environmental issues, "others, such as human toxicity, are less clearly described or defined differently in different countries."

Providing harmonized reporting practices and standards with measurements and indicators that are accepted throughout an industry can help companies monitor their performance over time in line with set targets.

Pamela Ann Smith

VOLUNTARY MEASURES AND FLEXIBILITY

The flexibility mechanisms included in the Kyoto Protocol create partnership opportunities.

Danish industry and utility leaders couldn't have been happier. After years of trying to coovince various politicians to allow them to invest in environmental improvement projects in the nearby Baltics and Eastern Europe in return for emissions credit at home, the Kyoto Protocol spelled out their idea exactly.

"It was as though they read our minds," says one pleased manager at the Elsam utility. "Now all we need to do is get the government to agree."

Part of what the protocol outlined are so-called flexibility mechanisms — joint implementation and the clean development mechanism. The idea is relatively simple. Developed countries are permitted to finance emission cleanup projects in developing countries, where costs are lower and emissions are greater, in return for credit against their emissions at home.

Verifiable reductions

While Danish Environment Minister Svend Auken may still be resisting the idea, countries such as Norway, Germany and the Netherlands have rushed to establish joint implementation projects. And countries like Poland and Costa Rica have rushed to embrace them.

But while the concept may be simple, much remains to be worked out. The Kyoto Protocol doesn't spell out how emissions credits will be computed, and organizations like the International Academy of the Environment worry that traditional economic models will prove expensive, vague and time-coosuming, leading countries and companies to abandon the program.

Norway, which has greenhouse gas emissions that are among the highest in Europe because of its oil and gas industry, was among the first to try joint implementation, with a $3.4-million program in Costa Rica that began in 1997. A consortium including Kvaerner Energy AS, ABB Kraft AS (subsidiaries of the multinationals Kvaerner and ABB), construction company Eeg-Henriksen Anlegg AS and the Norwegian government plan to reforest or conserve 4,000 hectares in the Virilla river basin. By doing so, the group hopes to eliminate 230,842 metric tons of carboo dioxide emissions over a 25-year period.

The project, being carried out in conjunction with the Costa Rican National Power and Light Company, also aims to improve the efficiency of hydropower plants in the area.

"We believe this project is a good example of what the Kyoto Protocol means," says Geir Sjöberg, an undersecretary at the Royal Norwegian Foreign Ministry. "The reduction can be verified, and we think it can serve as a model."

Another way to try to clean up the environment is through emissions trading, which gives a country permits to emit a certain number of tons of a pollutant, such as carbon dioxide. Permit-holders can chose to keep the permits and pollute, or they can lower their emissions levels and sell the permits. Because the permits are worth money to their owners, the theory goes, permit holders will have an incentive to reduce emissions and sell the permits.

The Kyoto Protocol sees emissions trading as a supplement to each country's domestic emission reduction requirements. But the it doesn't really spell out what "supplementary" means, and critics worry that emissions trading will allow industry and even countries to evade responsibility by buying their way out of emissions reduction. Barbara Ripple, a policy analyst who evaluated emissions trading for Consumer Alert, a Washington-based nonprofit consumer organization, argues that the system will likely mean increased energy costs. Nonetheless, the trading system is already attracting financial players, a sure sign that it is expected to be lucrative, if not environmentally friendly. Swedish financial company OM, which recently bought the Stockholm Stock Exchange, has just announced that it is starting an "environmental exchange," which will eventually include trading in emissions permits. The exchange will be run in conjunction with Scotland's Environment Exchange. Per-Jonas Carlsson, president of OM New Markets, is confident such trading will do its share to reduce greenhouse gas emissions.

Ariane Sains

"SUSTAINABLE DEVELOPMENT: SOLUTIONS THROUGH PARTNERSHIPS"
was produced in its entirety by the Advertising Department
of the International Herald Tribune.
WRITERS: Amy Brown and Ariane Sains in Stockholm, Pamela Ann Smith in London,
Terry Swartzberg in Munich and Greg Weigand in Tokyo.
PROGRAM DIRECTOR: Bill Mahder.

SPONSORED SECTION

Mitsubishi Motors have won many awards for innovation. But the real winner is the Earth.

Since its inception just 12 months ago, Mitsubishi's GDI engine has won the following prestigious awards: Paul Pietsch Preis '97 * European Auto 1 Innovation Award * Technology of the Year Award '98 * Auto Trophy Award '98 * Golden Oildrip Award '98 * The Environment Award '98 *1998 Car of the Year Award for Environmental Protection * Price of Honor '98 * Smartest Technical Innovation '97.

Mitsubishi's Gasoline Direct Injection (GDI) engine has taken more than thirty years to develop. Transforming what was described as "the engineer's dream" into a mass production reality is an achievement of which Mitsubishi are justifiably proud. And not just because they've collected many prestigious awards.

Less Fuel Consumption
More Power
Less CO_2 Emissions

In the race to develop an engine which is as good to drive as it is for the environment, Mitsubishi's GDI has [illegible] the only realistic way forward. An opinion shared by journalists, academics, motor manufacturers but more importantly, drivers around the world. Because although GDI may be the engine of tomorrow you can actually drive it today. Hundreds of thousands of people already are.

And as it's being fitted in other manufacturers' makes and models, the benefits aren't restricted to Mitsubishi cars, the motor industry or even drivers - they're global.

GDI takes you further.

.....it's the little things that make Mitsubishi great.

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WEB SITE: http//www.mitsubishi-motors.co.jp/

SUSTAINABLE DEVELOPMENT: SOLUTIONS THROUGH PARTNERSHIPS

ENCOURAGING INDUSTRY INITIATIVE

In Japan, business and government work together.

Under the historic Kyoto Protocol reached last December, the European Union agreed to reduce its greenhouse-gas emissions by 8 percent, compared with the 1990 level. The United States agreed to a 7 percent cut and Japan, 6 percent. But don't tell Japan's captains of industry that their country got off easy.

"Six percent is going to be tough for us," says Hajime Ohta, executive counselor of Keidanren, the influential Federation of Economic Organizations. "We joke that if the base year were 1973 or '74 instead of '90, it'd be much better. In other words, our effort has already been made."

True, the "oil shocks" of the '70s did inspire Japanese industry, especially automakers, to make impressive gains in fuel efficiency.

What is Japan doing today to fight global warming and meet its commitments under the Kyoto Protocol?

"We enacted a new law this year to prevent global warming by domestic countermeasures," says Takeshi Sekiya of the Environment Agency's Global Department. "Under this law, the government requests industries to develop a plan to reduce their greenhouse-gas emissions. It's not an obligation, but industries are strongly encouraged to do so."

The Transport Ministry, meanwhile, has been exploring its options, according to Shinji Nakagawa of the ministry's Division of Environment and Ocean Development. "Our basic idea is to make auto engines about 20 percent to 25 percent more fuel-efficient by the year 2010," which is roughly the deadline for meeting the protocol's obligations, he says.

"We're also trying to get the [ministry's policy-making] council to consider different taxation of autos. We want to change the current rate of tax, based on the type of car, to provide an incentive [for owning fuel-efficient vehicles]. We'll have an answer next March or April."

Innovative technonolgy

Automakers, for their part, aren't just sitting around waiting for the government to call. Mitsubishi Motors is busy promoting its innovative Gasoline Direct Injection engine, which lowers emissions of carbon dioxide by 30 percent to 35 percent, compared with conventional engines. The GDI system features an engine in which gasoline is directly injected into the cylinder, as in a diesel engine.

Fumio Nishizaki, manager of Mitsubishi Motors' external and government affairs dept., says GDI engines are now being supplied for cars made at the company's joint-venture with Volvo in the Netherlands.

"We're also talking with Hyundai in South Korea for technological transfer of the engine," Mr. Nishizaki adds.

Toyota, meanwhile, is marketing what it calls the world's first and only mass-produced hybrid vehicle, named Prius. The vehicle, powered by gasoline and electricity, achieves a 50 percent cut in CO_2 emissions, compared with conventional vehicles. Toyota is also developing smog-eating trees, based on the principal that some trees absorb more carbon dioxide than others.

Companies in other industries are also producing a variety of environmentally friendly products.

Kyocera, the maker of electronic parts and information-technology equipment, has environmental criteria that are more stringent than Japan's national standards. The company' Ecosys printers have no disposable print cartridges, which reduces waste, while its highly efficient photovoltaic (PV) systems efficiently use solar energy to provide clean electricity. The company has also developed ceramic components for gas turbine engines that reduce NOx emissions by up to 90 percent, as well as a prototype solar-battery electric car. All of Kyocera's domestic factories have acquired ISO-14001 certification.

Another electronics company, Pioneer, has seen its ambitious environmental plan rewarded. It recently received the environmental management ISO-14001 certification for three of its facilities — the Tokorozawa Plant and Pioneer Video Co., both in Japan, and Pioneer Electronics Manufacturing N.V. in Belgium.

Despite these and other efforts, some environmental groups are unimpressed with the state of environmentalism in Japan.

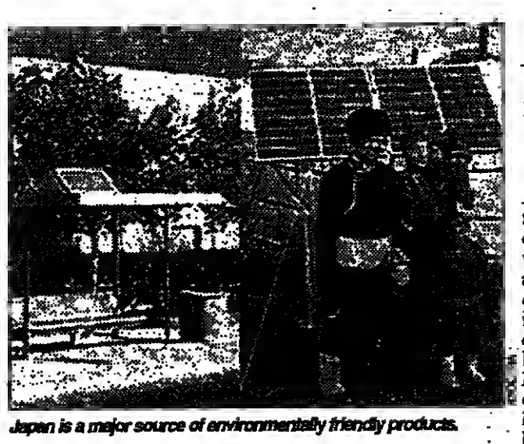
"Japanese consumers are paying increasing lip service to environmental concerns, [but] it does seem to be little more than lip service," says Patrick Alley, director of London-based Global Witness.

Keidanren's Hajime Ohta, however, disagrees.

"Japanese industry has already achieved the world's highest level of energy efficiency," he says. "Now we need to go even further" to cut CO_2 emissions.

At this week's conference on climate change in Buenos Aires, delegates are addressing the issue of emissions trading, whereby one nation buys the right to emit greenhouse gases from another. This issue seems to be of particular importance to Japan, which has already sounded out Russia on emissions trading.

Greg Weigand



Japan is a major source of environmentally friendly products.

APPLYING MARKET-BASED INSTRUMENTS

The Prototype Carbon Fund is designed to reduce emissions and encourage "green" technology.

As part of its Global Carbon Initiative, the World Bank hopes to launch a Prototype Carbon Fund, which would obtain funds from industrialized countries and the private sector and invest them in emission reductions for economies in transition and for developing countries. This would allow an OECD country to invest in the de-pollution of an enterprise in a developing country and thus obtain emission credits. Starting with a portfolio of $2 million, the World Bank is proposing to provide emission reduction units to OECD countries and guarantee a fair price between buyers and sellers. Four countries — Switzerland, Sweden, Finland and the Netherlands — and several multinationals, including Holderbank, British Petroleum, Chevron Corp. and Standard Oil, have agreed to participate in this fund, which could be launched by the end of this year. Partners in the initiative include the World Business Council for Sustainable Development.

"We are very much in favor of the whole idea of flexible mechanisms such as the Prototype Carbon Fund," says Björn Stigson, president of the WBCSD. "We believe there is a need to utilize them as a policy response. However, I also believe that companies will try to address the Kyoto targets principally via internal action, through improvements of processes and products, because those actions generate benefits not only in emission reductions, but in efficiency as well."

Mitigating the effects of climate change is critical in addressing the World Bank's core objectives of poverty alleviation and sustainable development. The Intergovernmental Panel on Climate Change estimates that if the level of carbon dioxide concentration in the world doubles, developing countries will be saddled with costs that amount to 5 percent to 9 percent of GDP, several times higher than industrialized countries. The fund is aimed at developing an efficient and equitable global market for project-based greenhouse gas emission reductions or carbon offsets.

"This is the first market-based instrument that will attempt to be responsive to the Kyoto Protocol," says Kenneth Newcombe, global manager of new products and partnerships at the World Bank. "The fund will generate emissions reductions that are creditworthy against country obligations."

The fund is not involved in and will not conduct activities relating to the flexibility mechanism of the Kyoto Protocol sometimes referred to as "emissions trading," or the trading of assigned amounts.

Key projects worldwide

The fund will identify 15 projects throughout the world, split roughly between developed and developing countries, using base-line technology, power-generation technology and energy-intensive activity. To participate, companies will pay $5 million each and governments $10 million.

There are many reasons companies will find the fund attractive for meeting Kyoto targets, says Mr. Newcombe. "A company like BP, which has voluntarily committed to reducing emissions by 10 percent below the 1990 level by 2010, will use the carbon offset fund as part of its portfolio to meet that voluntary objective," he points out. "The Danish Elkraft will invest in the fund because they fully expect the Danish government to order them to take measures to reduce emissions to meet the Kyoto targets, and to do so in Denmark would cost far more than investing in the Prototype Carbon Fund. Mitsubishi will invest in order to understand how this business works. It will learn about this market opportunity and may generate carbon offset in the countries in which it operates."

There are many additional environmental benefits to such a program, says Mr. Newcombe. "If you reduce carbon emissions, you are likely to reduce other emissions as well and end up with cleaner, greener technology. Essentially, we are talking about market transformation. By changing prices to reflect more sustainable resource use, we get the players in the market to talk about what is really meant by sustainable development, and what might be the costs and benefits. This could not take place without the support of multi-stakeholder dialogue," he adds.

A.F.

ENVIRONMENTAL INVESTING MAKES BUSINESS SENSE

Integrating environmental goals into business plans is emerging as a competitive advantage.

The rush by business to adopt systems of environmental management incorporating the precepts of sustainable development has set off a chicken-and-egg debate.

One fact seems undisputed: Companies that have instituted systems certified as meeting the stipulations of ISO 14001, the European Union's Eco-Audit or other internationally recognized standards, are generally more profitable than those that have not. This is borne out by the performance of the eco-efficient companies on the stock market.

According to Innovest Group International, an investment research company specializing in finance and the environment, "A portfolio of eco-efficient companies can be expected to outperform less efficient competitors by anywhere from 230 to 240 basis points per annum."

Taken together, environmentally and socially responsible funds had a total volume of $22 billion in the first half of 1998. Of that total, $18.56 billion stemmed from 32 U.S.-based funds, more that half of which outperformed the Dow Jones Index (+14.2 percent).

The debate arises from whether this high level of profitability is the product of environmental standards' helping companies to avoid environmental mishaps and maximize the use of resources, or whether it is simply that better-earning companies tend to allow themselves the "frill" of eco-certification.

The Innovest Group uses environmental indicators to identify companies with superior financial performance and has found that "Eco-efficiency turns out to be an extraordinarily good proxy for and predictor of superior corporate management, which in turn generates financial outperformance and shareholder value."

Tangible benefits include lower costs for distribution and waste management, savings in consumption of energy and materials and an improved corporate image.

More and more business leaders agree. In the Dupont Corporation's 1997 Progress Report on Safety, Health and Environment, Chief Executive Officer John A. Krol states: "By integrating environmental goals into business plans, we have made our company stronger and more competitive."

Terry Swartzberg

WITH BY-PRODUCT SYNERGY, IT'S WASTE NOT, WANT NOT

New ways of recycling, recovering and reusing materials are being developed to allow one industry's waste to be used as another's raw material.

What was once regarded as waste, or low-value by-products of industrial production, is now seen as a potentially important resource. This realization is helping to create a new mechanism for protecting the environment: by-product synergy.

Powergen, the British electricity generator, is using ash released from burning coal at its power plants as a raw material to manufacture breeze blocks for the construction industry.

"Most new homes in Britain have power station ash in their walls or foundations," says a senior executive.

Broad-based partnerships

The Business Council for Sustainable Development Gulf of Mexico (BCSD-GM), one of the regional partners of the Geneva-based World Business Council for Sustainable Development (WBCSD) has identified other cases of by-product synergy, in the context of a project funded by a grant from the U.S. Environmental Protection Agency. The Chaparral Steel company in Texas supplies electric arc furnace slag to another cement producer in the state, Texas Industries. Chaparral wins more value from its slag, TI wins increased cement production capacity along with a reduction in its energy needs and the environment wins because emissions of carbon dioxide are reduced.

"The conversion of waste streams and contaminated units into feedstock and products is an important element of industrial ecology," an official says. "A number of powerful technologies are available to stabilize wastes, eliminate hazards and create materials with proven commercial value."

The problem is that many corporate executives shy away from seeing these waste products as potentially useful, especially because of concerns about possible liabilities and public antipathy. Existing regulations can also hinder, rather than help, the conversioo of waste into resources that can aid in the battle to reduce emissions and pollutants.

This year, the BCSD-GM has gathered 21 companies together to help set up the Tampico By-Product Synergy Project. It has already identified a possible project involving the collection, purification and marketing of carbon dioxide from companies producing significant amounts of the gas. If the studies prove this feasible, the gas will then be used by another company, Cryoinfra, to supply fuel and feedstock to industrial users.

The results of these projects and studies on waste and materials are also being collected into a computerized database for discussion and analysis by "roundtable" forums involving both the public and private sectors. Member companies in both the United States and Mexico are already benefiting from a primer on the subject. The BCSD-GM has embarked on another project with Tulane University in the United States aimed at preparing an instructional module — entitled Toolbox II — on by-product synergy for use by business leaders, government officials and students. **P.A.S.**

ON-LINE RESOURCES

- **www.cec.org** Commission for Environmental Cooperation
- **www.greenchannel.com/tec** Environmental Council Home Page
- **www.enviroindustry.com** Environmental Industry Web Site
- **www.epe.be** European Partners for the Environment
- **www.gnet.org** Global Network of Environment and Technology
- **iisd1.iisd.ca/business** International Institute for Sustainable Development
- **www.iccwbo.org/Commissions/Environment/environment.htm** International Chamber of Commerce Commission on Environment
- **www.unepie.org** United Nations Environment Program – Industry and Environment
- **www.wbcsd.ch** World Business Council for Sustainable Development
- **w3.iprolink.ch/iucnlib** IUCN – World Conservation Union
- **www.wri.org** World Resources Institute
- **www.worldwatch.org** Worldwatch Institute Online

هكذا من الأصل

NASDAQ

Wednesday's 3 P.M.

The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NYSE

Wednesday's 3 P.M.

(Continued)

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Herald International Tribune
SPORTS

WORLD ROUNDUP

Inter Ties Spartak

SOCCER Inter Milan's Diego Simeone scored on a header off a free kick in the 89th minute to tie Spartak Moscow, 1-1, in a Group C *Champions League match on Wednesday.*

Before a record crowd of 83,000 at Luzhniki Stadium, Spartak took a 1-0 lead in the 68th minute on a shot from 10 meters by Andrei Tikhonov that went in off the post behind the Inter goalkeeper, Gianluca Pagliuca.

Ronaldo, Inter's Brazilian striker who had played in only two matches this season as he nursed tendinitis in both knees, started but was substituted for in the 66th minute. *(AP)*

A Decision for UEFA

SOCCER European soccer's governing body, *UEFA, said Wednesday* that it expected to decide by Monday how to deal with an incident which caused the suspension of a UEFA Cup match between Fiorentina and Grasshoppers of Switzerland.

UEFA representatives asked the referee not to start the second half of the second-round, second-leg match Tuesday night after a Belgian off-field official was injured by the explosion of a device hurled from the stands. "We need to know the details" before deciding what action to take, a UEFA spokesman, Massimo Gonella, said.

•Parma was listed as 5-1 favorite to win the UEFA Cup by the British oddsmakers Ladbrokes after advancing to the third round Tuesday with a 3-2 aggregate victory over Wisla Krakow. *(AP)*

Montgomerie Top Earner

GOLF Colin Montgomerie, with his third place finish in the season-ending Volvo Masters, repeated as the PGA European Tour's leading money winner for the sixth consecutive season.

The 35-year-old Montgomerie finished the season with total winnings of £993,077 ($1,645,329), followed by Darren Clarke with £902,867 and Lee Westwood with £814,387. Montgomerie and Clarke played 20 events and Westwood played 22.

Seve Ballesteros of Spain, the former Ryder Cup captain and winner of five of golf's major tournaments, managed only £58,096, playing 21 events and finishing No. 108. *(AP)*

Sosa & Co. Hit Tokyo

BASEBALL The Chicago Cubs' slugger Sammy Sosa and a team of U.S. major-league players arrived in Tokyo on Wednesday for a series of exhibition games against the best players in Japanese professional baseball.

While the games are intended to promote friendly relations between the two countries, the Cleveland Indians' manager, Mike Hargrove, who is coaching the U.S. team, issued a lighthearted warning to his Japanese opponents.

The major leaguers, he said, were ready to play hard. "We came over here to win," he said. "We're here to play baseball. That's the name of the game." *(AP)*

NBA Talks Break Off

Sour Mood Prevails as Stern Accuses Agents

The Associated Press

NEW YORK — National Basketball Association labor talks broke off Wednesday after the two sides met for less than two hours, the shortest session since the lockout began July 1.

"We were just sitting around the table, and both of us are somewhat stymied not knowing which way to move next," the director of the players union, Billy Hunter, said. "We just thought it might be better to go back to our respective offices and look at where we were."

The NBA commissioner, David Stern, blamed the breakup on agents. He said pressure was being applied on the union leadership by agents for high-salaried players at the expense of middle-income players.

The average annual salary in the NBA is $2.6 million.

"There's *not* a lot to talk about," Stern said. "We estimate that we will pay out over a billion dollars," in player salaries. "And the representatives that sat in the room with us on behalf of those 400 players seem intent to have that billion dollars, along with the sand in the hourglass, just drip away."

Sour moods prevailed on the day after the regular season was scheduled to start, a new twist on the work stoppage that forced the league to cancel games for the first time in its history. At all previous bargaining sessions, the principals were more amicable during their pre-meeting comments.

"There's something going on that doesn't involve us, something internally in the union," Stern said. "As I stand here today, I don't know exactly what it was, but it's clear to me what's coming. Watch the process. You'll see."

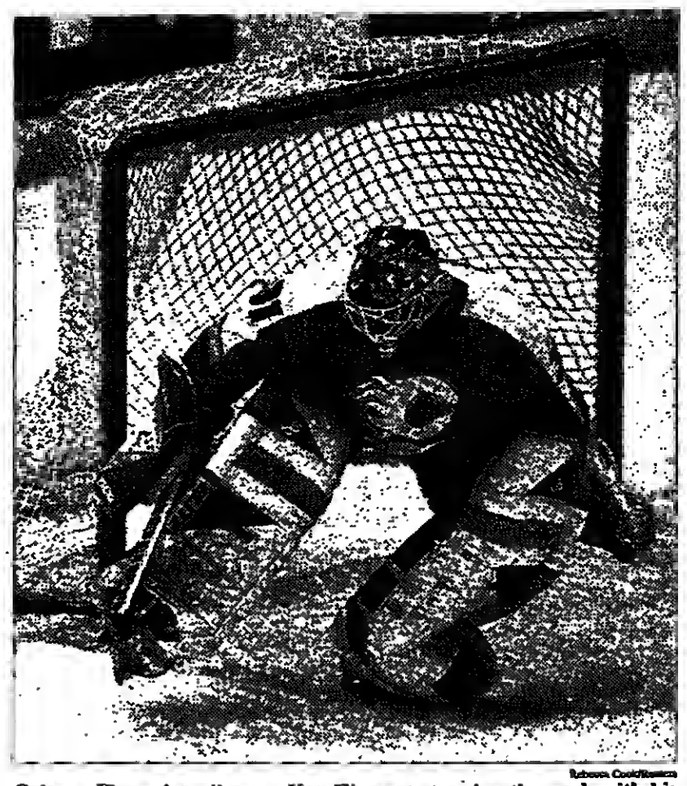
There were to have been 10 games played Tuesday night and 11 Wednesday night.

"If I had to guess, the first game will be Dec. 25, because that's when NBC's money and the big chips are on the table," Karl Malone of the Utah Jazz said in a television interview, referring to the U.S. network that is a prime broadcaster of NBA games. "Stern wants players to miss two or three paychecks to start feeling the message."

At Madison Square Garden, boxes were piled high Tuesday in front of the locker where the New York Knicks' starting center, Patrick Ewing, usually suits up. Ewing is also president of the players union.

"They have a pie, and they are fighting over how much of the pie each side gets to eat," a Madison Square Garden guide explained to a group of 16 tourists from the United States, the Netherlands, Greece, Spain and Ireland.

"They should all be disgusted with themselves," said Sophia Bogdasarian, a tourist from the Boston area.



Reuters Graphics

Calgary Flames' goalkeeper Ken Wregget stopping the puck with his skate and his stick during a 5-2 victory over the Detroit Red Wings.

Hasek Breaks Sabres Record With 157th Career Victory

The Associated Press

Dominik Hasek became the winningest goaltender in Buffalo Sabres history with his 157th victory, moving past Don Edwards with a 4-2 victory over the Boston Bruins.

Curtis Brown's first goal of the season proved to be the game-winner on Tuesday night in Buffalo, as the Sabres continued what, for them, is a scoring binge.

Dixon Ward, Miroslav Satan and Michal Grosek also scored for the Sabres, who were coming off a two-game sweep of Toronto in which

NHL ROUNDUP

they scored 10 goals. Before scoring 14 goals in their last three games, the Sabres had only 14 in their first seven.

Buffalo is unbeaten in its last four games, while Boston has won just one of its last six. Steve Heinze and Hal Gill scored for Boston.

Devils 3, Rangers 1 Scott Stevens scored the first goal this season by a New Jersey defenseman on a long slap shot late in the second period, and the host Devils ended the New York Rangers' six-game unbeaten streak.

The game was something of a homecoming as the Devils defenseman Scott Niedermayer played his first game of the year after a contract problem and a longtime Devil, John MacLean, returned in a Rangers' uniform.

The Devils extended their unbeaten streak against New York to 11 games (7-0-4) by becoming the first team in three games to score against Mike Richter. Richter had come into the game off shutouts against Buffalo and Carolina, but he was beaten for goals by Brendan Morrison, Stevens and Jay Pandolfo, who clinched the game with 2:27 to play.

Penguins 4, Flyers 4 In Pittsburgh, Maxim Galanov scored his first two NHL goals, including the game-tying score with 5:24 left, as the Penguins rallied from a three-goal deficit to tie the Flyers. The Flyers' three-game losing streak ended, but Philadelphia is 1-4-2 since starting the season 4-0-1.

Galanov beat John Vanbiesbrouck from the same spot on both goals, firing shots from the top of the left circle.

The Flyers jumped to a 3-0 lead in the game's first 12 minutes on goals by Rod Brind'Amour, Eric Lindros and Chris Therien before the Penguins rallied. The Penguins scored two goals in seven seconds, one second short of the franchise record. Galanov got his first on a power play at 15:45 of the first.

Flames 5, Red Wings 2 One of the Flames' goaltenders, Tyler Moss, won his first game since January, and Cory Stillman scored two goals as Calgary beat host Detroit, handing the Red Wings their third straight loss.

Theoren Fleury and Andrew Cassels both had a goal and an assist, and Steve Dubinsky scored for the Flames, who were 0-6-2 against the Red Wings since last beating them Oct. 11, 1996.

Tomas Holmstrom had a goal and an assist, and Martin Lapointe added a goal for the Red Wings, who are 2-4-0 since coach Scotty Bowman returned to the bench Oct. 23

Moss relieved Ken Wregget, who was bothered by back spasms, four minutes into the second period and stopped 28 shots.

Thanks, NBA, for Giving Fans Time to Get a Life

Vantage Point/ GEORGE VECSEY

New York Times Service

NEW YORK — It should have been the opening game in Madison Square Garden, the New York Knicks against the Boston Celtics, but the entire National Basketball Association has been shut down.

I am considering the fact that the game did not happen as scheduled Tuesday night a gift from that avuncular chap with the beard. Commissioner David Stern and the owners and the players have given us at least a couple of months, time to take a walk in the falling leaves instead of watching the ball go through the hoop, incessantly.

As the wisest man in pro sports, Stern knew there was going to be an epic season in baseball that would leave people around the United States satiated. He sensed it was the right time to undo all the mischief the owners have done to themselves over the years by paying for what they claim they cannot afford. He also knew we could tolerate a year off, which puts huge pressure on the players.

There was a century's worth of communal betrayal when baseball went down in 1994. There was a feeling of deprivation from the fervent hockey minority in 1995. I don't feel any of that here.

I have seen the glazed look on fans in the Garden in recent years, real people who paid too much of their own money to watch a stagnant team in a stagnant sport in a stagnant league, and I have seen the faces of people who would not mind getting a few months' worth of money back rather than watch Patrick Ewing fire up jumpers while falling away from the basket.

This lockout is a chance for all of us to get our lives together. I promise to write more about hockey, college hoops and women's sports, and to find people who still pursue sport for joy. Maybe I will even put up with Coach Bill Parcells' oafish sarcasm if the New York Jets are for real.

Tuesday night I probably should have gone to the Rangers-Devils hockey game in New Jersey but I stayed home with a good book. Since you asked, it is a new translation of Dante's Inferno.

And speaking of the lower depths, I've been avoiding sports crowds since the World Series.

We need to talk about the cruel mood in Yankee Stadium, as well as the upper rings at the Garden, where I have seen children wearing the colors of opposing hockey teams be frightened by the mob. This obviously includes the outer reaches of Shea Stadium, where my agent and her nephew were mugged — I mean, mugged — for wearing Red Sox apparel during the World Series of 1986. And I'm sure the Jets' renaissance will touch off some crude actions toward opposing fans.

It's a New York thing. There's nothing quite like it anywhere else in the United States. This is not my imagination, from inside some glass-enclosed press box. For postseason games, columnists are relegated to an auxiliary press box in deep left field, so I walked the narrow ramps and sat behind The People, the vast majority of whom were high-spirited and polite and even watched the game.

I have no real problem with the personal chants directed at David Justice of the Cleveland Indians during the championship series, taunting him about his very public divorce, nor do I have a problem with the ubiquitous chants at opposing fielders. As Ken Caminiti of the San Diego Padres admitted, he stunk.

But once the World Series shifted to San Diego, survivors of Yankee Stadium began telling their tales: how the Padres' rally towels were burned by the posse in the bleachers, how the Padres' caps were confiscated by vigilantes, how the Padres' fans were taunted by bullies.

The postseason mood in Yankee Stadium the past four years is getting perilously close to English soccer — packs of antisocial men looking to hurt strangers under the guise of sport. There has been far too much praise for the so-called Bleacher Creatures in right field. They are not cute, and their brutal presence is setting the wrong tone.

What to do about it? I would not advocate tapping some beered-up thug on the shoulder and saying, "Hey, Mac, we don't do that kind of thing around here." But I do think we can influence our friends, our relatives, not to join in.

We have time to speak of many things this fall. Thank you for that, Commissioner Stern.

Sampras Upends Johansson

The Associated Press

PARIS — Pete Sampras survived a first-set scare against Thomas Johansson before storming back to beat the Swede 7-6 (9-7), 6-1, in the second round of the Paris Open on Wednesday.

Serving at 3-5 in the first set, the world No. 1 saved two set points before winning the game and immediately breaking Johansson's service to force a first-set tie break.

Even then, Sampras needed to be at his best. With the scores tied at five points each, he played a cross-court backhand winner at full stretch.

The second set proved a much easier task, with Sampras in total command and losing only one game.

The No. 2 seed, Marcelo Rios, one of the players battling with Sampras for the end-of-year No. 1 spot, had an easier second-round contest, beating Todd Woodbridge, 6-0, 6-4.

■ **Graf Triumphs Again**

In the second match of her latest comeback, Steffi Graf overcame a slow start and beat the sixth-seeded Ali Sugiyama 6-4, 6-3, to reach the quarterfinals of the Leipzig Open on Wednesday.

Graf, a four-time winner of the tournament who is unseeded this year because of her low ranking, had trouble finding her timing and clearly showed the lack of match practice early on against the quick Japanese.

But the former No. 1 picked up her game late in the first set and went on to post a workmanlike victory. "I expected a tough match," Graf said. "She's been playing good tennis in recent months. I played her a few months ago and lost in three close sets."

In the quarterfinals, Graf will meet the 19-year-old Anne-Gaelle Sidotof France, who upset the top-seeded Arantxa Sanchez-Vicario, the reigning French Open champion and Graf's old rival. Sidot, a qualifier ranked No. 74 in the world, beat the Spaniard 6-1, 4-6, 6-2.

SPORTS

A New Cast For Trainer at Breeders' Cup

By Joseph Durso
New York Times Service

LOUISVILLE, Kentucky — How's this for a head-turning change in the cast? Patrick Byrne became an instant success in horse racing one year ago when he saddled Favorite Trick and Countess Diana and won both the Breeders' Cup Juvenile and the Juvenile Fillies, then was named trainer of the year when Favorite Trick was voted horse of the year.

Now, in one of those upheavals that embroil the racing world, the trainer and his best horses are back for this year's Breeders' Cup, but they are competing in different colors.

Byrne, who surrendered his stable of champions last December to accept a job as the private trainer for Frank Stronach, returns with four horses in three events in this year's milestone day at the races. And Favorite Trick, now nobody's horse of the year, still makes the cast with a new trainer, Bill Mott, and a new race, the Mile, and on a new surface, grass.

"It was not easy to give up two champions," Byrne said Tuesday at Churchill Downs, where the next act in the drama will be played Saturday. "Favorite Trick was a great horse. But this was the chance of a lifetime for me, and I had to give up the horse of a lifetime to take it."

But after a deliberately slow start in his new job, working with new owners and new horses and losing his first 11 races, Byrne began to hit home runs. Since then, he has won with about 40 percent of his runners, and he has won nine of 12 starts with the four he has brought to the Breeders' Cup: Wild Rush in the $1 million Sprint, Bag Lady Jane in the $1 million Breeders' Cup Juvenile Fillies and Awesome Again and Touch Gold in the $4 million Classic.

Byrne watched his two Classic contenders working Tuesday morning and said: "This is going to be the best Classic yet. All of my horses have had their big works. We'll likely just gallop up to the race. I will have no excuses.

"Touch Gold and Awesome Again have shown me exactly what I wanted to see at this point. I don't imagine any scenarios for the race. It will be dictated by the jockeys at race time. All I know is that I have two horses ready to run their races."

Byrne comes loaded with jockey talent to go with his horse talent: Pat Day aboard Awesome Again and Chris McCarron on Touch Gold. Both horses are 4-year-old sons of Deputy Minister.

Awesome Again has won his last five starts and eight of 11 overall. In the Stephen Foster Handicap at Churchill Downs in June, he outran Silver Charm, winner of last year's Kentucky Derby and this year's Dubai World Cup. Touch Gold has won six of 14 and run in the money 10 times and will forever be remembered as the horse who beat Silver Charm in last year's Belmont Stakes, denying him the Triple Crown.

Skip Away, the lead candidate for horse of the year and probably the favorite in the Classic, stepped down from his van after the trip from New York and was met by his trainer, Sonny Hine, who said: "He's on top of his game, from what I can tell. He had two good works at Belmont Park, and I have no reason to believe he won't take these horses. I didn't come here to get beat. I came here to show the world how great he is."

Amy Sancetta/The Associated Press

Brian Proctor, an exercise rider, kissing Swain, a horse scheduled to race in the Breeders' Cup Classic on Saturday in Louisville, Kentucky.

Olympian With a Mission Skis On

By Christopher Clarey
International Herald Tribune

WHAT do Paavo Nurmi of Finland, Larysa Latynina of the former Soviet Union and Mark Spitz and Carl Lewis of the United States have in common?

Each won a record nine Olympic gold medals during their remarkable careers, and each is in danger of being surpassed in February 2002.

That is because Bjorn Daehlie has concluded that his own remarkable career is oot over. Competitive cross-country skiing might look like organized suffering to an outsider, but Daehlie has decided that he has not yet experienced enough burning in his muscular legs or oxygen deprivation in his voluminous lungs.

"I must admit that it would be quite nice to pass Carl Lewis," the 31-year-old Norwegian said recently.

Daehlie nearly passed out in his last Olympic race: the men's 50-kilometer event at this year's Winter Games in Nagano, Japan. The instant he crossed the finish line, he pitched forward as if he had been hit from behind by something blunt and heavy. He already had set a Winter Olympic record in Nagano by winning his sixth and seventh gold medals. Now he had his eighth, and he was as spent as he had ever been.

"I'm sure that was my hardest race ever," Daehlie said. "I saw the gold medal going away in the last two kilometers, and it was hard to push myself because I was already completely exhausted."

In the months leading up to Nagano, Daehlie talked openly about his plans to retire, saying he needed to spend more time with his two young sons, Sivert and Sander, and their mother, Vilde. But when he finally felt capable of speaking after what could have been his final victory, he hedged on quitting. After discussing the idea at length with his family, he has stopped bothering to hedge.

"The idea of retiring was quite strong in me," he said. "But the problem is, when you have been doing this for 10 years, it's a part of your life, part of the way you're living. You doo't want to stop when you physically feel one hundred percent. It might seem difficult to understand when you see what skiing requires, but I think I have a special connection with this sport. I dream about the big events and all the pressure when everyone is trying to be really fast. It's quite something to succeed when everyone has the same goal."

Norwegians apparently agree. In a poll conducted last month by the newspaper Verdens Gang, readers were asked to name their "Norwegian of the 20th century." Daehlie came in third behind the explorer and humanist Thor Heyerdahl and Norway's first female prime minister, Gro Harlem Brundtland.

IN FOURTH place was Fridtjof Nansen, a former Nobel Peace Prize winner and North Pole explorer. In sixth was Roald Amundsen, the first man to reach the South Pole. In eighth was Edvard Munch, one of the century's foremost painters and a forerunner of Expressionism whose most widely known work, "The Scream," is a fine approximation of how Daehlie looked at the end of his 50K race in Nagano.

"In Norway, there are a lot of children right now who would like to be me; they are competing and falling over the finish line," Daehlie said wryly.

Daehlie's professional goal is to compete until the Winter Olympics in Salt Lake City in 2002. But he has personal goals as well, and so he no longer plans in train with the Norwegian national team in the off-season. Until this month, he was training on his own near his home in Nannestad, and he no longer intends to compete for the overall World Cup title.

After the World Cup season begins on Nov. 28, he plans to race regularly until Christmas and then peak for the world championships in Ramsau, Austria, in February. "Being out with the team for 200 days a year in hotels is a bit problematic for being a father," Daehlie said. "So far, it has been going very well, and if it works I will keep the same program until Salt Lake."

It was in Salt Lake City that Daehlie won his first World Cup race in December 1989, and Daehlie said that the desire to come full circle was part of his decision to ski on. But Daehlie also confesses to a missionary streak, which is rather fitting in light of Salt Lake's deep connection with the Mormon faith.

What Daehlie wants is to convert people to his sport, which is about as popular with spectators in the United States as cricket or bullfighting and lacks a worldwide base and talent pool. Daehlie recognizes that the pain etched on his face in mid-effort and the icicles that form on his red eyebrows are not necessarily the perfect pitch, but he is not really interested in pushing weekend athletes beyond their limits.

"What I want is to get more children out of the house and out in the forest," he said. "Because in Europe, the people, especially the young people, are more and more sitting still and watching videos or using the internet.

"In the United States, the Nordic Track machine is a best seller, and it's a machine where you ski in your living room. But the best way of doing it is in the oature. You need to breathe the air, see the birds and the animals. That way the next generation knows that the meat doesn't just come from shops."

SCOREBOARD

ICE HOCKEY

NHL Standings

EASTERN CONFERENCE	W	L	T	Pts	GF	GA
ATLANTIC DIVISION						
Philadelphia	5	4	3	13	31	26
New Jersey	6	4	0	12	30	20
N.Y. Islanders	6	5	0	12	26	24
Pittsburgh	4	3	3	11	28	30
N.Y. Rangers	3	5	3	9	17	26
NORTHEAST DIVISION						
Ottawa	4	3	0	12	30	22
Buffalo	5	3	2	12	28	21
Toronto	5	4	1	11	30	31
Boston	4	6	2	10	27	23
Montreal	2	5	2	6	21	29
SOUTHEAST DIVISION						
Carolina	4	4	3	11	23	19
Tampa Bay	4	6	1	9	26	34
Florida	3	4	3	9	22	30
Washington	3	4	3	9	16	22
WESTERN CONFERENCE						
CENTRAL DIVISION						
Detroit	6	5	0	12	33	25
St. Louis	4	3	2	10	23	21
Chicago	4	5	1	9	23	32
Nashville	3	5	1	7	23	28
NORTHWEST DIVISION						
Edmonton	6	4	0	12	28	25
Vancouver	5	5	1	11	32	27
Calgary	4	5	2	10	30	33
Colorado	3	6	1	7	26	34
PACIFIC DIVISION						
Dallas	6	1	2	14	25	16
Phoenix	5	2	1	11	24	14
Los Angeles	4	5	2	10	21	24
Anaheim	3	3	3	9	21	19
San Jose	1	6	2	4	20	27

TUESDAY RESULTS

Boston	1	0	1—2
Buffalo	1	1	2—4

First Period: Boston-Helmer 4 (Thornton) (pp). 2, Buffalo-Ward 3 (Peca). Second Period: Buffalo-Salon 2 (Grosek, McKee). Third Period: Buffalo-Brown 1 (Plante) 5, Boston-Gill 1 (DiMaio) 4, B-Grosek 3 (Salon, Woolley). Shots on goal: Boston- 7-5-8—20, Buffalo- 9-9-14—32. Goalies: Boston-Dafoe, Buffalo-Hasek.

N.Y. Rangers	0	1	0—1
New Jersey	1	1	1—3

First Period: N.J.-Morrison 2 (Andreychuk) (pp). Second Period: New York, K.Stevens 2 (MacLean, Tikkanen) 2; N.J.-K.Stevens 3 (Gotchin). Third Period: N.J.-Pandolfo 2 (Gotchin, S.Stevens). Shots on goal: New York 8-10-7—25, N.J.- 15-6-8—29. Goalies: New York, Richter. N.J.-Brodeur.

Philadelphia	2	1	0—4
Pittsburgh	2	1	0—4

First Period: Philadelphia-Brind'Amour 5 (McGillis, Lindros) (pp). 2, Philadelphia-Lindros 9 (LeClair, Renaldi) 3, Philadelphia-Therien 1 (Desjardins, Brind'Amour) (pp). 4, Pittsburgh-Gainor 1 (Gerowin, Hrdina) (pp). 5, Pittsburgh-, Jagr 4 (Long). Second Period: Philadelphia-Renaldi 2 (Lindros, Boni) 7, Pittsburgh-Long 4 (Jagr, Tiley) Third Period: Pittsburgh-Gainor 2 (Miller, Hrdina) Overtime: None. Shots on goal: Philadelphia-13-6-4-1—24, Pittsburgh-8-11-3-2—22. Goalies: Philadelphia-Van-Biesbrouck, Pittsburgh-Skaalen, Rubin.

Calgary	0	2	2—5
Detroit	0	1	1—2

First Period: None. Second Period: C-Cassels 2 (Housley, Fleury) (pp). 2, C-Sittman 2 (Fleury, Smith) 3, D-, Helmstrom 4 (Yzerman, Murphy) (pp). Third Period: C-Sittman 3 (Cassels, Housley) (pp). 5, C-Fleury 8 (Housley) (pp). 6, D-, Lapointe 3 (Lidstrom, Helmstrom) 2, C-Dubinsky 1, (sh). Shots on goal: C- 9-11-4—26. D- 16-19-12—47. Goalies: C-Wregget, Moss. D-Osgood.

GOLF

PRESIDENTS CUP

Teams for Presidents Cup, to be played Dec. 11-13 at Royal Melbourne Golf Club in Australia (c-captain's choice):

UNITED STATES

Captain: Jack Nicklaus
David Duval
Tiger Woods
Jim Furyk
Justin Leonard
Phil Mickelson
Davis Love III
Mark O'Meara
Hal Sutton
Scott Hoch
Mark Calcavecchia
c-Fred Couples
c-John Huston

INTERNATIONAL

Captain: Peter Thomson
Ernie Els, South Africa
Nick Price, Zimbabwe
Vijay Singh, Fiji
Greg Norman, Australia
Steve Elkington, Australia
Stuart Appleby, Australia
Carlos Franco, Paraguay
Shigeki Maruyama, Japan
Craig Parry, Australia
Joe Ozaki, Japan
c-Frank Nobilo, New Zealand
c-Greg Turner, New Zealand

SOCCER

Champions' League

4TH ROTATION

Sporting, Moscow 1, Inter Milan 1

UEFA Cup

SECOND ROUND, RETURN LEG

Atletico Madrid 1, CSKA Sofia 0
Atletico Madrid won 5-2 on aggregate
Valencia 2, Liverpool 2
Aggregate score: 2-2. Liverpool won on the away goals rule.
Real Betis 3, Wilaa 11 Tilburg 0
Real Betis won 4-1 on aggregate
Marseille 3, Werder Bremen 2
Marseille won 4-3 on aggregate
Fiorentina vs. Grasshoppers, Switzerland, abandoned after 45 minutes after linesman was injured by explosive device thrown from crowd. Fiorentina were leading 2-1 and 4-1 on aggregate at the time.
Leeds 2, Roma 0
AS Roma won 7-0 on aggregate
Aston Villa 1, Celta Vigo 3
Celta Vigo won 3-2 on aggregate
FC Zurich 4, Celtic 2
FC Zurich won 5-3 on aggregate
Lyon 3, Red Star Belgrade 2
Lyon won 5-3 on aggregate
Real Sociedad 3, Dynamo Moscow 0
Real Sociedad won 6-2 on aggregate
Monaco 4, AK Graz 0
Monaco won 1-3 on aggregate
Club Bruges 3, Stuttgart 2
Club Bruges won 4-3 on aggregate.
Slavia Prague 0, Bologna 2
Bologna won 4-1 on aggregate
Parma 2, Wisla Krakow 1
Parma won 3-2 on aggregate
Bordeaux 2, Vitesse Arnhem, Neth. 1
Bordeaux won 3-1 on aggregate
Rangers vs. Bayer Leverkusen are playing Thursday

Copa Merconorte

FIRST ROUND

GROUP A

Millonarios, Col., 1, Sporting Cristal, Peru 0
STANDINGS: Millonarios, Colombia, 10 points; America, Colombia, 7; Emelec 6; Sporting Cristal 4.

GROUP B

Schalke 1, SC Freiburg 1
STANDINGS: Bayern Munich 25 points; 1860 Munich 20; Bayer Leverkusen 19; Hertha Berlin 11; Hamburg SV 16; VfB Stuttgart 15; FC Kaiserslautern 15; SC Freiburg 15; VfL Bochum 13; Borussia Dortmund 12; VfL Wolfsburg 11; FC Nuremberg 11; MSV Duisburg 11; Schalke 10; Eintracht Frankfurt 9; Hansa Rostock 8; Werder Bremen 6 Moenchengladbach 5.

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

ANAHEIM—Named Gary Sutherland professional scouting coordinator.
CHICAGO—Declined to exercise 1999 option on 1B Wil Cordero.
CLEVELAND—Named Mark Shapiro vice president of baseball operations and assistant general manager, Neal Huntington director of player development, Paul DePodesta assistant to general manager, Josh Byrnes director of scouting, and Brad Grant assistant director of scouting. Announced that Mark Wiley, pitching coach, refused his reassignment and left organization.
OAKLAND—Extended contract of Billy Beane, general manager, thru 2002 season.
TAMPA BAY—Named Leon Roberts hitting coach.
TORONTO—Named Dave Stewart assistant general manager.

NATIONAL LEAGUE

ATLANTA—Named Glenn Hubbard 1st-base coach, Pat Corrales bench coach, Bobby Dews bullpen coach and Ned York 3d-base coach. Announced that Clarence Jones, batting instructor, was offered a minor-league coaching position, and that Jim Beauchamp, bench coach, accepted a job as coordinator of minor-league outfield instruction.
CHICAGO—Named Marty DeMerritt pitching coach, Randy Bush minor-league hitting coordinator and Brad Kelley midwest regional scouting supervisor. Announced that Ryne Sandberg has joined club as instructor. Traded LHP Scott Downs to Minnesota to complete earlier trade for RHP Mike Morgan.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

DALLAS—Announced resignation of Kevin Sullivan, vice president of communications.
TORONTO—Announced resignation of John Shumate, assistant coach.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

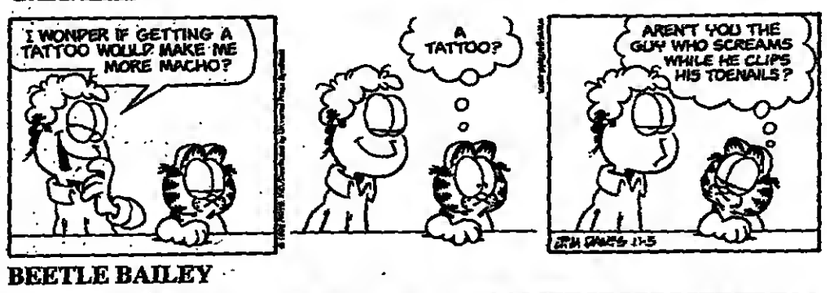
CINCINNATI—Put G Ken Blackmon on injured reserve.
KANSAS CITY—Signed OB Bracy Walker and DB Keith Crawford. Waived DB Bucky Brooks.

DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

GARFIELD



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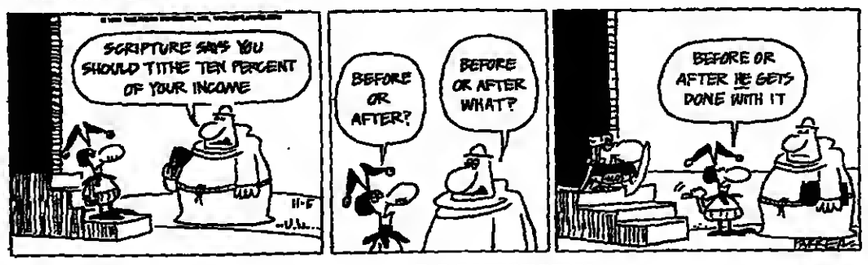
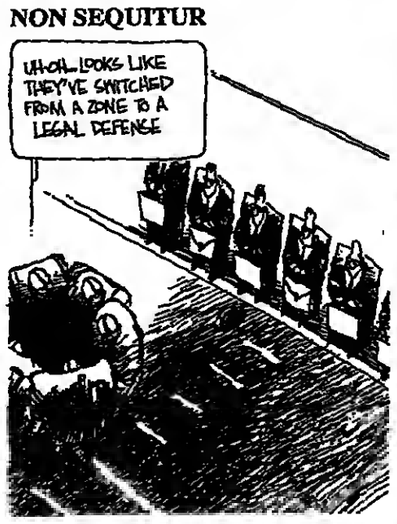


BEETLE BAILEY

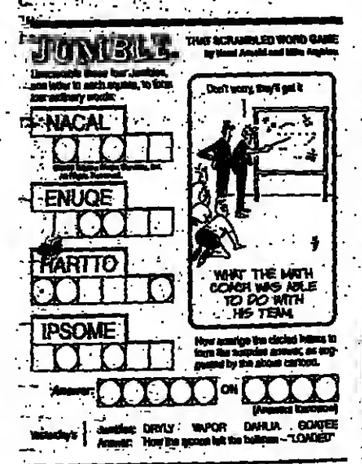
NON SEQUITUR



DOONESBURY

BLONDIE

JUMBLE



ART BUCHWALD

Right Man, Right Stuff

NEW YORK — Space. We are still thrilled with space, provided a 77-year-old senator from Ohio is in the capsule. John Glenn was our biggest hero when he went up in space, and he is our biggest hero now that he has done it again.

But Glenn's feat is more than going up and coming down. John is a two-fer hero, and we don't get many of them anymore. When he returns, brokers on Wall Street will stop buying stock so they can take the time to tear up ticker tape to throw out their windows.


Buchwald

The first part of space flight had to do with worldwide coverage of the event ... including the voyage to the moon.

The second part was coming home again and being greeted at the White House and having a glorious return to the Rose Bowl Parade. Most of the astronauts could handle the flight part of the mission; it was the PR duties that took their toll.

John Glenn was not the president's first choice to go to space.

Bill Clinton wanted Ken Starr to fly in the shuttle, but Paula Jones's lawyers protested and Starr could not get the approval of the hundreds of grand juries he represented. So it was decided to send Newt Gingrich up for nine days just at the time of the elections. James Carville said this was a risky decision so he recommended John Glenn, a loyal Democrat, who could fly by the seat of his pants with the House impeachment committee.

The big factor was age. If Glenn could do it, it would be a big boost for mankind and the voting bloc of Medicare and Social Security.

Once the choice had been made, the president had to talk Glenn into returning on a mission. "The country needs a hero now more than ever, John. It could be you or Michael Jordan."

John was at first reluctant. "Sir, I'm not sure I have the right stuff."

The president smiled and said, "I thought that about myself when I first became president, but I was persuaded that when the going gets rough, all of us have the right stuff."

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The man the president had chosen was the right man for the right job.

The president said, "Now that Glenn has accomplished his mission, we have to start thinking of somebody else to grasp the imagination of the American people. Hillary will accept no one else but Walter Cronkite."

A Manet for the Orsay Museum

The Associated Press

PARIS — Edouard Manet's portrait of the Impressionist painter Berthe Morisot is the latest treasure to enrich the Musee d'Orsay's collection of 19th-century paintings.

"Berthe Morisot au Bouquet de Violettes" (Berthe Morisot With a Bouquet of Violets) had not been seen in public since 1983. It had been owned by Morisot's heirs since she bought it back from a French dealer in 1894, a year before her death. The Culture Ministry said it cost 80 million francs ($14.5 million).

'Fragments,' a Holocaust Memoir, Is Challenged

By Doreen Carvajal
New York Times Service

NEW YORK — Until Binjamin Wilkomirski's truth came into conflict with his own legal identity, the slim memoir of his Jewish childhood in the concentration camps of Poland was hailed as a "small masterpiece," a searing sketch of death and horror — rats rummaging among corpses, starving babies sucking fingers to the bone, a dying mother's last glimpse of her son.

International Jewish groups showered the 155-page memoir, "Fragments," with endorsements and prizes: the National Jewish Book Award in the United States, the Prix Memoire de la Shoah in France and the Jewish Quarterly Literary Prize in Britain. The U.S. Holocaust Memorial Museum sent the first-time author and Swiss musician on a six-city fund-raising tour last fall. The book was translated into more than a dozen languages, an achievement considered the biggest global success for a Swiss book since "Heidi."

But the shards of Wilkomirski's "knife-sharp" memories had more edge than any of his publishers or backers envisioned. His identity is now in doubt and his publishers are in the awkward position of insisting that they believe that he is a Latvian Jew who survived the Holocaust. This despite legal records identifying him as the son of a Swiss woman and indicating he was born two years later than indicated in the subtitle of the original German edition of the book.

While some publishers plead for a reprieve or an "editorial habeas corpus" for the author, the international debate about the authenticity of the memoir has exposed the tensions between art and commerce. Nonfiction, for example, sells better than fiction with an author who plays the role of promoter and poster child, and the prestige of endorsements give such books almost invincible credibility.

"Fragments" was first published in Germany in 1995, but it was not until this summer that questions were raised publicly about Wilkomirski's bleak memories of childhood, dating from 1939 to 1948. Wilkomirski's literary version is that he was a Latvian Jew whose earliest memories are of the beating death of his father in the winter in Riga, followed by fragmented images of imprisonment at the age of 3 or 4 in Majdanek in Poland and a second concentration camp that he never identifies. These scenes, described in a child's unflinching voice, were recovered through therapy. Wilkomirski says, and he has participated in seminars in Europe describing the techniques.


Binjamin Wilkomirski says the debate over his identity and his book shows "totalitarian judgment."

But the counterimage of Wilkomirski's life is far more mundane. The one that has emerged from legal records and Swiss news reports is that he is Swiss, was born in February 1941 in Biel to an unmarried Protestant woman, Yvonne Grosjean, and was later adopted by an upper-middle-class Zurich couple, all of whom are now dead.

The manuscript was circulated by a respected and prominent literary agent in Switzerland to publishers, including a Jewish imprint of a well-known German publisher, Suhrkamp Verlag. The American publisher, Schocken Books, an imprint of Random House, relied in turn on the judgment of the German publisher. Suhrkamp did do some checking with experts and asked for further verification, which resulted in an afterword in the book that noted contradictions between Wilkomirski's memories and legal records.

Another Swiss author decided to take on the role of detective after he was commissioned to write a profile of Wilkomirski, who had become something of a Swiss celebrity and was the subject of two film documentaries. Daniel Ganzfried, the author and himself the son of a Holocaust survivor, started gathering information that he called troubling and inconsistent. For example, he said, he listened to Wilkomirski's taped remarks in a seminar on his form of "interdisciplinary therapy," in which he denied that he was adopted. In a long interview with Wilkomirski, he said the author told him he was circumcised, which the author's former wife and his girlfriend later denied to Ganzfried.

"In one film, he claimed to have lived in Switzerland only from 1948, and he describes all these scenes after the war," said Ganzfried. "Then I found in the local school files of Zurich that he attended first grade in April 1947. I found a picture of him in the summer of 1946 in the garden of his adoptive parents from a photo book of his relatives."

Eventually, he started searching local government offices and found Wilkomirski's adoption records. The 1941 birth date conflicts with the prominent subtitle of the book, which appeared in most foreign versions: "Fragments: A Childhood 1939-1948."

Letters from officials in Biel and Zurich verified the information. And Wilkomirski's former lawyer, Rolf Sandberg, confirmed that he had obtained records with similar information after a request from the German publisher for more verification before publication of the book.

"I told them I didn't doubt what his memory had to say," Sandberg said, "but I had to leave it to them what to make of this whole story. I could only say I have these documents and they prove that he is the son of Ms. Grosjean, but you can say: 'I don't trust it. I know better.' And that is what he says."

In the months before the book was published, Suhrkamp received a letter of warning from Hanno Helbling, an editor at a Swiss newspaper, who said friends of Wilkomirski's had told him the manuscript was fiction. "They wrote me back that they had examined the situation and they were sure that the thing was authentic," said Helbling, who is retired and lives in Rome. "The publisher maintains his belief or he makes believe that the story is authentic, but I think nobody believes it any more."

In fact, all publishers of the book are still supporting Wilkomirski's account, largely because of assurances from Suhrkamp. So too are groups like the U.S. Holocaust Memorial Museum and the Jewish Book Council, in New York.

Wilkomirski has largely retreated from public view. In an e-mail answering questions from The New York Times, he asked for "a little patience," adding: "My health is in rather poor condition. I am very weak and it takes me a lot of strength to answer questions, which cannot be answered in only a few sentences." In a follow-up e-mail, he disputed the validity of some of Ganzfried's research. He also said he had repeatedly tried to get access to Swiss records, noting that records of adopted Gypsy children and Jewish refugees appear at various times to have been altered or destroyed.

In the afterword of his book, he briefly addressed the record of his 1941 birth by saying: "This date has nothing to do with either the history of this century or my personal history. I have now taken legal steps to have this imposed identity annulled."

Shortly before the annual Frankfurt Book Fair, which brings together publishers from all over the world, Wilkomirski sent a statement in German to all his publishers describing the current climate of debate as a "poisonous" atmosphere of "totalitarian judgment and criticism." Wilkomirski acknowledged that the Swiss legal documents were not fake but suggested that a third party "who is no longer alive" had manipulated and replaced the papers. He also criticized Holocaust historians who had attacked his work, complaining that they were not expert in research about children who survived that period.

Torsten Blackwood/Agence France-Presse

PREQUEL — The director George Lucas, left, in Sydney discussing the next three parts of his "Star Wars" series. He said the next two parts would be filmed in Australia. The producer, Rick McCallum, looked on.

PEOPLE

THE poet **Ted Hughes** was buried near his home after tributes led by the Nobel literature laureate **Seamus Heaney**. Hughes, the poet laureate of England since 1984, died of cancer Oct. 28 at 68. His death was "a rent in the veil of poetry," Heaney said in a reading at the service in North Tawton, southwest England. At the request of Hughes's second wife, **Carol**, the Irish poet read the **Dylan Thomas** poem "Do not go gentle into that good night." He also read two of Hughes's works, "Go fishing" and "The day he died."

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Dorothy DeLay, a faculty member at the Juilliard School in New York, who has taught such Japanese musicians as **Midori** and **Koichiro Harada**, an original member of the Tokyo String Quartet, will be honored by Japan for her contributions to the education of the nation's musicians and to raising the level of music in Japan. DeLay, 81, who began her career at Juilliard in 1948, will receive a medal, the Order of the Sacred Treasure.

The model **Linda Evangelista** agreed to renegotiate her appearance fee at a fashion show in Portugal after her performance was criticized as clumsy. The model was the headline attraction in the city of Oporto, but press reports Tuesday described her as overweight and unsteady on her feet. A spokeswoman for Look Elite, the Lisbon branch of her modeling agency, said Evangelista had been ill with food poisoning.

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A remake of the "The King and I" should be filmed in Thailand, despite objections that the script is insulting to the Thai monarchy, the country's minister responsible for tourism said Wednesday. "For myself, I would prefer to have Fox film 'Anna and the King' here," said **Pitak Intaraviriyanant**, a minister of the prime minister's office. "Having them film here will mean we can have a thorough look at the script and urge them to cooperate in changing unsuitable parts." Fox has plans to make two movies in Thailand, "The Beach" and "Anna and the King." The former has been approved, but the National Film Board has rejected a draft script of "Anna and the King," starring **Jodie Foster** and **Chow Yun Fat**.

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Jean-Claude Van Damme has denied in court that he tried to keep a writer's name off the film credits of "The Quest." The Belgian action star testified in Los Angeles in a suit filed by **Frank Dux**, a martial arts expert who accuses Van Damme of not paying $1.5 million in profits from the 1996 movie. The lawsuit claims that Dux co-wrote a screenplay that became "The Quest" and that Van Damme promised to share profits. His name appears in the screen credits under "story by," but not as the writer.

Churchill to Return in Triumph to Paris

New York Times Service

PARIS — Outside a foundry in a village about 65 kilometers west of Paris, finishing touches are being applied to a bronze statue of Winston Churchill, to be unveiled in the French capital in ceremonies attended by Queen Elizabeth II on Nov. 11, the 80th anniversary of the armistice that ended World War I.

Created by the French sculptor Jean Cardot and financed by private and public contributions, the 3.2-meter, 2,270-kilogram (10.5-foot, 5,000-pound) statue depicts Churchill, Britain's World War II leader, in his air marshal's uniform, a walking stick in his left hand, as he appeared Nov. 11, 1944, when he strode with Charles de Gaulle down the Champs-Elysees three months after the liberation of Paris.

Its pedestal inscribed with the words "We shall never surrender," the statue will stand outside the Petit Palais, at Avenue Winston Churchill.